



In the Ashes Of Old Order, Italy Parties Begin Again

By Alan Cowell
New York Times Service
ROME — The result of elections for the mayors of major cities was fairly clear: The former Communists won, the neofascists cemented gains and the insurgent Northern League remained strong only where its name suggests it should — in the north.



Francesco Rutelli, elected mayor of Rome with backing from leftists, arriving by motor scooter on Monday at the city council office.

NEWS ANALYSIS
ed in the spring to decide who inherits the land from the discredited Christian Democrats, brought down after a half-century in power by the end of the Cold War and their own massive corruption.

Dispute Over Films Keeps Negotiators Wrangling on Trade

U.S.-Europe Farm Deal Seems Set, But Paris Seeks EC Concessions, Too

By Tom Buerkle
International Herald Tribune
BRUSSELS — The United States and the European Community settled most of their disputes on agriculture and other trade issues Monday, but sources said a possible world trade accord remained blocked largely by differences over Hollywood's access to the European film and television market.

France's foreign minister, Alain Juppé, insisted late Monday night that France's main objectives had not been met and that Paris was not ready to endorse an accord. But he said that this could change as result of talks that were continuing overnight between Sir Leon Brittan and Mickey Kantor, the principal EC and U.S. negotiators.

Swap of Hubble's Solar Panels a 'Piece of Cake'

By John Noble Wilford
New York Times Service
HOUSTON — After two 20-minute space walks, the shuttle astronauts on Monday had completed the critical repairs to extend the \$1.5 billion Hubble Space Telescope's expected operating life and were ready to see if they could give it a more substantially meaningful extension by installing new solar panels.

But seeing is what counts in astronomy, and the next two space walks should determine if the Hubble might be restored to its promised capabilities of surveying celestial objects so far away that their light is coming from close to the beginning of time.

Kiosk
Mellon Bank to Acquire Dreyfus
Dow Jones Up 6.14
Trib Index Up 0.58%

Clashes Sharpen In West Bank as Talks Pick Up

By David Hoffman and John Goshko
Washington Post Service
JERUSALEM — Fresh violence broke out Monday night on the West Bank as Israel and the Palestine Liberation Organization searched for a resolution of disagreements over Israel's scheduled military withdrawal from the Gaza Strip and Jericho.



A Palestinian youth taking aim at troops during clashes in a Jerusalem refugee camp.

Austrians Fear Terror Drive By Neo-Nazis

By David B. Ottaway
Washington Post Service
VIENNA — Fears mounted here Monday that extremists have decided to resort to terrorism not only against foreigners but against the foreigners' Austrian defenders as more letter bombs were intercepted and evidence emerged that a neo-Nazi group is behind the bloody campaign.

For Bosnia's Young Army, A Long Road to Stalemate

By John Kifner
New York Times Service
SARAJEVO, Bosnia-Herzegovina — The three-sided war in Bosnia is grinding to a stalemate on the ground, with each side weakened as winter draws on but fighting hard to gain or hold territory before maps are drawn for any possible peace settlement.

These differing views appear to suggest that both Israel and the PLO are preparing for a week of intensive jockeying before the Monday deadline. Mr. Rabin and Mr. Arafat may meet in the days ahead, probably in Cairo, before a final agreement is reached, and some Israeli officials have said that a symbolic military pullout could take place even before the full agreement is sealed.

The Yearlong Grind: Making the Grade of India's Elite

By Edward A. Gargan
New York Times Service
NEW DELHI — Kumar Mihir is looking a bit scruffy these days. He hasn't shaved in a while, his shirts are rumpled, his bloodshot eyes not unlike a barroom habitué's. He is not alone.

Newsstand Prices
Andorra 9.00 FF
Antilles 11.20 FF
Cameron 700 CFA

See BOSNIA, Page 2

See EXAM, Page 6



STATESIDE / CALMING THE DOCTORS

Ease Criticism of Health Plan, Medical Group Tells Members

By Robert Pear
New York Times Service
NEW ORLEANS — Top officials of the American Medical Association have appealed to doctors to show restraint in criticizing President Clinton's health plan...

American Medical News, the organization's weekly newspaper, said this week that there was a serious split in the association because it represents an increasingly diverse membership with conflicting economic interests...



TALENT TIME — President and Mrs. Clinton applauding the five recipients of the 1993 Kennedy Center Honors during a White House reception.

POLITICAL NOTES

Traffic Gets Heavy in Virginia Senate Race

RICHMOND, Virginia — Virginia voters do not much like their choices in next year's U.S. Senate race, which include a senator, a governor and a former Marine...

Sore Back Puts Clinton's Jogging on Hold

WASHINGTON — President Bill Clinton, who tries to jog nearly every day, came up lame last week and has sidelined the White House spokesman, Dec. 7, said Monday...

Deadline Hardens on Diplomatic Postings

WASHINGTON — Senator Harlan Mathews is not backing down in his dispute with career Foreign Service staff over how ambassadors are chosen...

Quota/Unquote

Hillary Rodham Clinton, unveiling the White House Christmas decorations and revealing a reservation about the holiday season: "The big question mark for us is how are we going to go Christmas shopping? That we haven't worked out."

Justices Allow Scouts to Reject Boy Who Refused 'Duty to God' Pledge

WASHINGTON — The Supreme Court on Monday allowed the Boy Scouts of America to exclude a 10-year-old boy who refused to acknowledge the "duty to God" phrase contained in its pledge...

Trapping an E-Mail Snoop Reporter, Caught in Sting, Loses Moscow Job

By Calvin Sims
New York Times Service
LOS ANGELES — In a stunning example of growing concern over technology and privacy in the workplace, the Los Angeles Times has recalled a foreign correspondent from its Moscow bureau for snooping into the electronic mail of his colleagues...

Away From Politics

- A 15-year-old boy admitted he had fatally shot his step-grandmother and pregnant half-sister after an argument, authorities in Harris County, Texas, said.
Judith S. Rodin, 49, provost of Yale University, has been nominated as the University of Pennsylvania's next president and the first woman to head an Ivy League institution.

Van Cleef & Arpels advertisement featuring a watch and listing retail locations: PARIS, GENEVE, BRUXELLES, CANNES, MONTE CARLO, MILANO, ROMA, BEVERLY HILLS, HONOLULU, NEW YORK, PALM BEACH, OSAKA, TOKYO, HONG KONG, SEOUL, SINGAPORE.

King Faisal International Prize advertisement for Molecular Immunology and Chemistry, including an invitation to submit nominations and a list of requirements.

SPACE: Replacement of Hubble's Solar Panels Is Called a 'Piece of Cake'

Continued from Page 1
...focusing light properly. Early Tuesday morning, Dr. Story Musgrave and Dr. Jeffrey A. Hoffman were to venture out to the Hubble, snared in the shuttle cargo bay, to install an upgraded model of the telescope's primary camera incorporating improved sensing electronics...

Judge Dismisses Fraud Charge Against Senator

The Associated Press
ST. PAUL, Minnesota — A federal judge dismissed a criminal indictment Monday charging Senator David F. Durenberger, Republican of Minnesota, with falsifying his expense accounts...

# Herald INTERNATIONAL Tribune

PUBLISHED WITH THE NEW YORK TIMES AND THE WASHINGTON POST

## A Fresh Start for Russia?

In elections next Sunday, President Boris Yeltsin is hoping that Russia's voters will support his new constitution and send his backers to parliament. One might hope for a little more: the election of new leaders to parliament and regional councils who are determined to keep Russia on the road to democracy.

The new constitution, if adopted after full debate, could help nurture that democracy, and end political disorder, by setting new rules of the game. And more backers of Mr. Yeltsin's brand of reform could help him mightily. But neither result can guarantee that the struggle against the old order, and the old guard who ran it, will not again spill out of the parliament and into the streets. To prevent that from recurring and to consolidate democracy's fragile hold will require a new breed of legislators who respect the rule of law, who practice civility, compromise and coalition-building, and who engage in democratic give-and-take, not coups, to settle their conflicts.

## Jobs: Working at It

Bill Clinton, who campaigned on the promise of providing more jobs for Americans, is coming full circle as he polishes his administration toward its second year.

## The AIDS Conundrum

In the heat of the presidential campaign last year, Bill Clinton asserted: "When it comes to AIDS, there should be a Manhattan Project." That was a powerful image, referring to the crash program during World War II in which America's top scientists developed the atomic bomb in a frantic race to beat Germany to the punch.

## Other Comment

**Choice for Taiwan's Voters**  
In the run-up to Taiwan's recent elections, the polls and pundits were predicting catastrophe for the Kuomintang, or KMT. The crack-up of the Liberal Democratic Party government in Japan had injected an element of foreboding. President Lee Teng-hui must have thought so, judging from his decision to break with tradition and stump for KMT candidates.

# Why to Worry About Russia's Elections

By Brian Beedham

LONDON — But eastward, look, the land is dark. Or, not to misquote the 19th century poet Arthur Hugh Clough too bleakly, let us say that Europeans peering eastward this week find little for their comfort in what they see.

### The new parliament may not be able to mobilize the country around reform.

to be more rugged — for the Russians themselves, and for the world around them — than the optimists had expected.

Number one: These elections may not change all that much in Russia's own political battle. It is depressingly possible that the new parliament will not be different enough from the old one that Boris Yeltsin blew away with tank shells to unite the country around a program of serious reform.

## Politics and Diplomacy of Streamlined Deterrence

By Jim Hoagland

PARIS — Nuclear strategy remains a touchstone in America's relations with Europe and Asia. Here in France, the nuclear establishment has been unsettled by the Clinton administration's decision to push for a global ban on nuclear weapons testing within three years.

The Clinton push for a Comprehensive Test Ban treaty begins in January at the Geneva-based Conference on Disarmament negotiations. Barely noticed in America, the U.S. initiative draws intense scrutiny here. It comes just as the French military and center-right parliamentarians bopped to overturn President Francois Mitterrand's 18-month-old testing moratorium.

## Here and There, the Righteous Don't Like to Learn

By William Pfaff

PARIS — Bill Clinton met Salman Rushdie at the White House at the end of November "to make the point that... freedom of speech includes especially the willingness to respect the rights of people who write things we do not agree with."

## Retire 'Politically Correct'

By Brent Staples

NEW YORK — The logician and philosopher Charles Sanders Peirce was maddeningly precise in his use of language. He founded the American school of philosophy known as pragmatism, and introduced the term into English. But that was 1878.

It is a tradition that passes by way of American Puritan forefathers (and foremothers), and the Catholic Index of Forbidden Books, and manifests itself today not only in Islamic intolerance but also in that of the politically correct in the United States. (The latter, playing false to the fundamentalists' tragedy, propose to censor even the expression "Dutch treat," for fear that by using it Americans might diminish the self-esteem of their brave Netherlands allies. The Dutch, marked by a Calvinist past, might consider frugality positively virtuous does not occur to the censors, nor would I, I suppose, even see the joke.)

The Republicans are gone from the White House, but the tidy ideological formations they left behind are proving remarkably resistant. As Mr. Pearce might say, it is time to put those clichés on the head and send them away. *The New York Times*

# No Denying The Deaths In El Mozote

By Anthony Lewis

BOSTON — Once in a rare while a writer re-examines a debated episode of recent history with such thoroughness and integrity that the truth can no longer be in doubt. Mark Danner did just that in a long article that took up most of last week's issue of *The New Yorker*.

Mr. Danner's subject was the massacre in December 1981 in the Salvadoran village of El Mozote. Over the years politicians and journalists have differed bitterly about what happened there — who did the killing, indeed, whether there was a massacre at all. The argument is over. Over the past several years, Mr. Danner, no rational person can doubt that Salvadoran government forces carried out a massacre. They killed hundreds of people in El Mozote and other hamlets nearby: men, women, children, infants. They killed with a savagery that is hard even to read about.

Chepe Mozote was 7 years old at the time, one of a group of children taken by the soldiers to a playing field near the school. He told Mr. Danner: "I didn't really understand what was happening until I saw a soldier take a kid he had been carrying — maybe 3 years old — throw him in the air and stab him with a bayonet. They slit some of the kids' throats, and many of them hanged from the tree... The soldiers kept telling us: 'You are guerrillas and this is justice. This is justice.'"

Finally, there were only three of us who watched them hang my brother. He was 2 years old. I could see I was going to be killed soon, and I thought it would be better to die running, so I ran... The killers were from the U.S.-trained Atlacatl battalion. Their commanders, making a drive through territory where rebel forces had been, decided to kill everyone on the theory that the rebel population had nurtured the rebels. In fact, El Mozote was a stronghold of evangelical Christians, who were fiercely anti-Communist.

A month after the massacre, in January 1982, guerrillas guided two reporters and a photographer to El Mozote: Raymond Bonner of *The New Yorker*, Alma Guillermopelio of *The Washington Post*, and the photographer Susan Meiselas. The reporters wrote stories of the bodies and destruction they saw, and *The Times* published harrowing pictures by Ms. Meiselas.

Reagan administration officials denounced the massacre reports as false. The editorial page of *The Wall Street Journal* attacked the reporters as "credulous" victims of Communist propaganda. (Mr. Danner notes dryly that *The Journal's* long editorial took no note of the fact that the correspondents they criticized had actually been at the scene, and so note of Ms. Meiselas's photographs.) Drawing on newly released documents and his own follow-up interviews, Mr. Danner traces how U.S. government's misleading denials of the massacre were created.

After the newspaper stories, the U.S. Embassy in San Salvador sent two men to investigate the alleged massacre: Todd Greenlee, a young embassy official, and a marine major, John McKay. They got to within a few miles of El Mozote, but the Salvadoran government forces taking them would go no farther.

Both men were convinced, however, from talks with refugees nearby, that something terrible had happened. Major McKay told Mr. Danner that he could feel "this tremendous fear." Mr. Greenlee said that he concluded that "there probably had been a massacre."

The U.S. ambassador to El Salvador, Diane Hinton, called the State Department on Feb. 1, 1982, that his views should not be distorted — that though he had no confirmation, he did think "something happened" in El Mozote. This cable, found by Mr. Danner, was of course not disclosed at the time.

### 1943: Big Three Agree

CAIRO — [From our New York edition:] After four days of intensive, intimate and frank discussions held in the walled compound of the Soviet Embassy at Teheran, capital of Iran, President Roosevelt, Premier Stalin and Prime Minister Churchill had agreed on the scope and timing of military operations to be undertaken from the east, west and south to crush Germany. The agreement was contained in a joint declaration that holds high promise of bringing to the world a long period of peace.

### 1893: He Wore Petticoats

PARIS — A café waiter appeared before the Paris Police Court yesterday [Dec. 6] on the charges of wearing feminine costume and of felony. The chief feature of interest in the case is that it reveals a curious defect in the law. According to the Code, a woman wearing the masculine dress is liable to a penalty; but no offense is made to the contrary case, and in spite of the fact that the Public Prosecutor asked for a conviction on this charge, the Court could do nothing. But there was no doubt about the robbery — a disgraceful affair — and the prisoner was sentenced to six months.

### 1918: 'The Next War'

PARIS — The German army has been completely defeated, but it has escaped from the catastrophe from which nothing but an armistice could have saved it. It is no longer a secret that when the wall for an armistice

**International Herald Tribune**  
KATHARINE GRAHAM, ARTHUR OCHS SULZBERGER  
Chairman  
RICHARD McLEAN, Publisher & Chief Executive  
JOHN VINOCCUR, Executive Editor & Vice President

• WALTER WELLS, News Editor • SAMUEL ABT, KATHERINE KNORR and CHARLES MITCHELLMORE, Deputy Editors • CARL GEWIRTZ, Associate Editor  
• ROBERT DONAHUE, Editor of the Latin American Edition • JONATHAN GAGE, Business and Finance Editor  
• BENE BONDY, Deputy Publisher • JUANNITA CASPARI, International Advertising Director  
• ROBERT FARRÉ, Circulation Director, Europe

Days out of the Publisher: Richard D. Simmons

International Herald Tribune, 181 Avenue Charles-de-Gaulle, 93371 Neuilly-sur-Seine, France.  
Tel: (1) 1-86-37-9410 Fax: Circulation, 36-77-0051 Advertising, 46-37-52-12  
New York, New York, 400 N. Zeeb Road, 30th Floor, New York, NY 10021, Tel: (2) 437-7818 Fax: (2) 374-3334  
The New York Times Building, 30th Floor, New York, NY 10021, Tel: (2) 984-1818 Fax: (2) 374-3334  
The New York Times Building, 30th Floor, New York, NY 10021, Tel: (2) 984-1818 Fax: (2) 374-3334  
The New York Times Building, 30th Floor, New York, NY 10021, Tel: (2) 984-1818 Fax: (2) 374-3334  
The New York Times Building, 30th Floor, New York, NY 10021, Tel: (2) 984-1818 Fax: (2) 374-3334  
The New York Times Building, 30th Floor, New York, NY 10021, Tel: (2) 984-1818 Fax: (2) 374-3334

Handwritten signature or stamp at the bottom of the page.

OPINION

# Nixon, That Old Warrior, Looks for New Challenges

By William Safire

PARK RIDGE, New Jersey — There's a story behind every one of those ornaments," said Richard Nixon, looking more robust than he has in years, showing me the Christmas tree in his home. Lest sentiment intrude, he quickly turned to the purpose of my annual visit: a review, parts on the record, of what is ahead.

Stacked on his desk is the manuscript of his latest book. On the 20th of next month (the 25th anniversary of his first inaugural address), the 37th president, who will then be 81, will bring out "Beyond Peace." The theme of this 150-pager — likely to be his eighth nonfiction best-seller, a publishing record — is: "After peace breaks out, we usually have periods of stagnation; we must find challenges as stimulating as war."

Mr. Nixon, in his nonpartisan years, has not lurched leftward. "When the rest of the world is turning away from big government, we shouldn't be turning toward it. The problem with 'reinventing government' is that they want government to be doing better the things that government shouldn't be doing in the first place."

He hopes that Bill Clinton keeps his centrist NAFTA coalition together, dropping the McGovernite left over the side. But do voters really care about foreign economic policy? That's not the point. "The public's interest in NAFTA was not in the issue, but in the battle."

Although the battlefield on which Mr. Clinton feels most at home is domestic affairs, Mr. Nixon — the old Moscow summit — thinks that this president should not hesitate to share what he has recently learned in the NAFTA fight with Boris Yeltsin at next month's Moscow summit. "Clinton could give Yeltsin good counsel," says Mr. Nixon. "on how

to deal within a multiparty system. It's the kind of hard-earned advice that Yeltsin can use too."

Can we help relieve the tension building between Russia and Ukraine? "Our line to Ukraine should not be to deal with them just because they have nuclear weapons, but because they have 55 million people and you don't want a rogue state." He is high on Ukraine's Leonid Kravchuk, and thinks that the United States could be a broker in the delicate nuclear disarmament.

Mr. Nixon has urged Mr. Yeltsin to press ahead on privatization. "To paraphrase Churchill, the free market is the worst economic system except for all the others. But the central question in Russia is: Can democratic capitalism provide progress better than Communist capitalism, the kind they have in China?"

He gave me a mock-suspicious look. "Weren't you the one who put me up to saying 'We are all Keynesians now?' Well, we are all capitalists now. If democratic capitalism fails in Russia, that will be water on China's wheels." That is why America should encourage reform, a movement greater than individual reformers, in Russia.

What about India, a democratic nation where capitalism is lagging? "India, which will be more populous than China in the next century, must ask itself this question: Can democratic socialism compete with Communist capitalism?"

To pose the question is to answer it — only capitalism, however modified, can compete with capitalism — but I had never heard it posed before.

Mr. Nixon is too much the pragmatist on China, preferring quiet diplomacy and bonds of trade to public pressure on human rights. "Economic freedom will open up any closed society."

But his newer theme is: "There isn't any Third World anymore. Only two worlds, rich and poor. Wealth divides China, East and West Europe, the north and south nations."

On hot-button issues at home, he remains progressive. Abortion: "The state should stay out; don't subsidize and don't prohibit." Gun control: "I'd go further than the Brady bill. Guns are an abomination." (From this I deduce he is not running in '96.)

On television violence: "Hollywood thinks America is sick — hnh! They're the sick ones." He is against the balanced budget amendment — "a meat ax when you need a stiletto, but it'll probably pass" — and in favor of term limits: "Incumbents have asked for it."

Assessments of the Clinton presidency and the Republican field, as well as his views on initiatives on health, education and welfare, await appearances at publication time. For now, it is inspiring to see the old warrior using every minute as a golden bullet, staying well by staying productive — never, ever quitting.

The New York Times.



## LETTERS TO THE EDITOR

### Croatia and Its Symbols

Regarding "Bad Memories of Croatia" (Opinion, Nov. 16):

The editorial puts the realities and myths about the leadership of present-day Croatia in perspective.

Not all Croats are ideologues but enough are in present-day Croatia to make it an uncomfortable neighbor. The pseudo-religious attributes of these ideologues' rhetoric, their anti-intellectualism, the violence and murder from which the particular psyche of the old and even the young Ustashe has been created, are more than a little disturbing. The present-day leadership of Croatia is turning the clock back.

VANITA SINGH, New Delhi.

The editorial says that "Croatia's new coat of arms closely resembles the symbol of the Ustashe state," the Nazi puppet entity of the last war.

Please note that the coat of arms of Croatia was first used in 1527, and was used uninterruptedly for more than 450 years. After World War I, the Kingdom of Serbs, Croats and Slovenes (later to be called Yugoslavia) had this symbol as part of a national coat of arms.

TATIANA THALLER FORMER, New York.

Waste in the EC

Regarding the report "EC Audit Alleges \$130 Million in Waste" (Business/Finance, Nov. 17):

I came to Europe two months ago, to look, like Diogenes, for an honest person in Brussels, but I had almost given up because the European Community machinery is so complicated and inaccessible to outsiders. Your article has encouraged me to give it one more try.

The report that the EC Court of Auditors gave to the EC Commission is, judging by my experience, on target and details abuses and shortcomings still uncorrected: ineligible regional development programs, endorsed by interested consultants and approved by incompetent national governments.

THOMAS MATHEWS, San Juan, Puerto Rico.

### A Reaffirmation of Faith

Regarding "The Kennedy Myth: How Has It Survived So Long?" (Opinion, Nov. 22) by Tom Wicker:

Mr. Wicker concludes, "As between disillusionment and legend, Americans have chosen legend — as if to hold in memory their own sense of themselves and their country as they most wished them to be, as they used to believe they were." The implication is that the choice has been myth over truth. I want to say that Americans are right to hold those memories, because the vision that President Kennedy gave us is the way Americans really are — under all the hype, materialism and distraction. The clinging to JFK is not a sign of delusion. It is the reaffirmation of an old faith.

RICHARD M. HELLER, Monaco.

### Who's Whining?

Regarding "A Whining Clinton and Two Others" (Opinion, Nov. 23) by William Safire:

Bill Clinton whining and thinking? This guy has endured the grimmest start of any president in living memory with, it seems to me, admirable stoicism. If some bitterness now wells up, who can blame him?

Don't we all remember the "media biggies" writing him off once he was inaugurated? Then came endless stories about haircuts, "Travelgate" and management problems at the White House.

In fact, when I saw the article the other day showing that Mr. Clinton had the best record of legislative achievement of any president since 1953, I could not avoid the thought that the press had missed the story yet again.

ELIZABETH CSICSERY-RODAY, Brussels.

### Big Bird

Regarding David Metzler's review of "Jazz: The American Theme Song" by James Lincoln Collier (Books, Nov. 23):

It is an unforgivable outrage to connect the term "sociopath" with Charlie (Bird) Parker! This gentle, generous force, for reasons all too sadly familiar to his era, became self-destructive. However, living about a third as long as Stravinsky or Picasso, Charlie Parker was one of the greatest and most influential artists of this century.

ALAN DAVID SHEAN, Dun, France.

# Reporting to Bobby, 12, On a Suddenly Real War

By John K. Cooley

NICOSIA — It was not a very cold Dec. 7, that Sunday in Mount Vernon, New York, barely a stone's throw from Eastchester Creek.

On that day, only a shade past my 14th birthday, I wasn't out poking around the hibernating dogwood along the creek, as I often did, nor was I setting out on my new bike for Pelham Manor. It was a particularly gray and

## MEANWHILE

colorless afternoon, and I sat with my father in the living room by the radio, listening to a college football game; don't ask me who was playing.

The second or third quarter had just ended. There was a commercial break.

My father worked for a magazine in Manhattan — one of his editorial chores was to choose the cartoons, and I remember looking through a batch with him. Would there, he asked my mother, a note of suspicion in his voice, be more of that turkey hash, still left over from Thanksgiving, for supper?

My mother, who was working on a project for her college alumni magazine, never got to answer. An announcer's excited voice suddenly broke into the broadcast. The Japanese, he said, had attacked the U.S. naval base at Pearl Harbor in Hawaii. Reports were coming in of heavy loss of American life and serious damage to the U.S. Pacific Fleet.

Within a minute I was dashing across the street to pass the exciting news that war had hit Hawaii to my friend, Bobby. He was a 12-year-old prodigy who spent most of his time practicing piano; I was sure he wouldn't have been listening to the radio.

Without realizing it, the secret delight I took in imparting the news — especially such catastrophic news — had filled some corner of my adolescent being. For years to come I continued to insist that unlike my parents, I would not become a journalist. But that Sunday, quite unaware, I became a news addict.

Not that my parents, my baby sister and myself hadn't been exposed to the growingly ominous news from Europe through the 1930s. We had listened on the radio to Bill Shirer, Edward R. Murrow, Paul Archibald and other great reporters as they recounted Hitler's misdeeds; and we had learned of the efforts of the West's best and brightest statesmen to deter him — or come to terms.

There was a directness and immediacy about radio news coverage in the 1930s and 1940s that television these days rarely attains. We heard the speeches of Hitler, Chamberlain, Daladier and Churchill, live. Someone had placed a live radio microphone near the Polish seaport of Gdynia on Sept. 1, 1939. It picked up the sound of a German cruiser's gun, opening fire on a Polish fort — one of the first acts of World War II.

But until the electrifying day of Pearl Harbor, the news had, after all, been from Europe — a foreign world, far away, scarcely imaginable on the shores of Eastchester Creek.

Pearl Harbor, and what followed, was different. Next day at school, after gathering in the assembly hall to hear President Roosevelt declare war on Japan, we were sent home early.

There had been an air-raid alert in much of the New York area. A practice drill? No one knew. Some kids like me, 14 years old and up, had been given white civil-defense helmets, handbooks and armbands, making us junior-assistant air raid wardens, or something.

Now the helmets and armbands proudly appeared at strategic points on our block. Was it possible, we wondered, that Hitler's air fleet was paying us a return visit? Four years earlier we had been let out of school to watch the Hindenburg, the hydrogen-filled German dirigible, pass overhead, its red-white-black swastika clearly visible, on a flight from Germany. An hour later it blew up and burned while landing at Lakehurst, New Jersey.

Maybe, I thought, as I thumbed through my pack of aircraft silhouette-recognition cards, a long-range Nazi Focke-Wulf flying boat — possibly refueled by a submarine off the coast? — was returning to the defenses of Long Island. The rumor at school the next day was that a full squadron of P-41 pursuit planes had taken off from the Mitchell Field air base on Long Island to search for something.

Childhood was suddenly over. Our youthful fantasies had become adult ones. The hurried high school years that followed seemed to prepare my generation for going overseas; in my case with the U.S. Army to postwar Austria. The world of Europe and lands beyond closed in. What had been only news from the radio had become the stuff of everyday life.

Almost before I knew it, I had found my calling: I would report the news from overseas. Some of the news was better than the news of Pearl Harbor, which I had run across the street to tell Bobby about. Some has been worse. But, in the main, it has been a good way to earn a living.

The writer, an ABC News correspondent and author based in Cyprus, specializes in the Middle East. He contributed this column to the International Herald Tribune.

### Credibility Suffers

THE CLINTON administration does not merely regard foreign policy as secondary to domestic renewal but in fact holds it in contempt. A huge demolition job on American international credibility is in progress.

On issue after issue — Bosnia, Somalia, China, Haiti — there has been a cavernous gap between the administration's soaring rhetoric and its much more judicious actions.

The United States has emerged as perhaps the most unpredictable nation in the world community. Keeping your opponent guessing may be good tactics on the football field, but it is thoroughly undesirable in the international arena.

Predictability does not mean no change. But change should be executed through a directed, honest process, not a cynical and haphazard sleight-of-hand.

— Jonathan Clarke of the Casa Institute in Washington, in the Los Angeles Times.

The ViewCam User Vol. 2



Sandra Hollins from London, Age: 24. Collier and ViewCam user. Seen here with her fiancé Ian Cole (32).

"Since I've been taking my ViewCam on the course with me, my fiancé hasn't had quite so much to say. But he's certainly had something to do — because he films every single stroke I make. Then we look at it straight away, on the next tee, to see whether there are any problems. Handicap? The ViewCam doesn't have one!"



VL-8400 4 in. LCD screen

- The ViewCam is a new breed of camcorder. Just take a look at what you can do:
- easy recording (with the large-screen monitor)
  - all-angle shooting (with the swivel monitor)
  - instant-playback
  - simple self-recording (with the rotating monitor)
  - TV-reception (TV/PAL tuner available as optional extra)
- ViewCam. Obviously SHARP. It really will open your eyes!



VL-540 4 in. LCD screen



VL-530 3 in. LCD screen

**SHARP VIEW CAM**  
SHARP CORPORATION, JAPAN

Handwritten signature or mark at the bottom center of the page.











THE TRIB INDEX: 108.70

International Herald Tribune World Stock Index

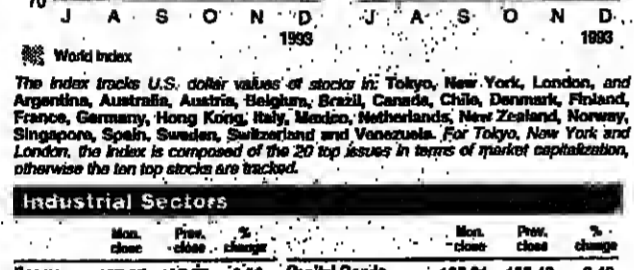
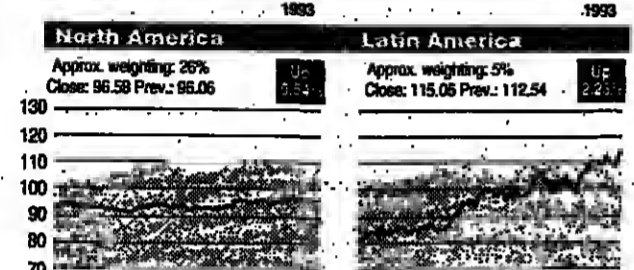
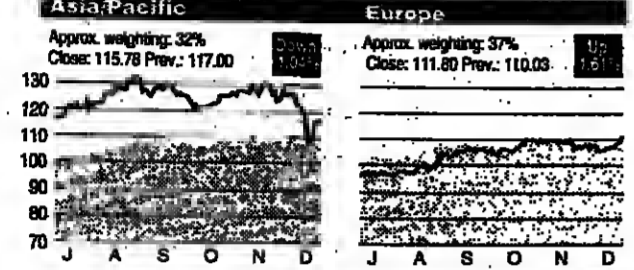


Table with 4 columns: Sector, Index, Change, % Change. Includes Energy, Utilities, Finance, Services, Consumer Goods, Industrial Goods, Miscellaneous.

For more information about the index, a booklet is available free of charge.

Sichuan Rushes to Build Its Links With the World

By Kevin Murphy International Herald Tribune CHENGDU, China — Liu Zhongshan, an engineer in charge of Sichuan province's transportation planning, is ready to make a deal, any deal, as long as it helps build the infrastructure desperately needed by China's most populous province.

China's economic reforms started in the Sichuan province, and peasants were given limited autonomy over their production. But change has generally been slower coming to business practice in the interior than in go-go provinces such as Guangdong and Fujian.

Under such arrangements, the contractors operate and collect revenue from a project for a set period before turning it over to local authorities. The province is also pledging that foreign equity investors in such projects will see their initial investment paid off before public-sector partners see any portion of the revenue stream.

Metallgesellschaft Gets Emergency Aid

Compiled by Our Staff From Dispatches FRANKFURT — The stock market wiped 40 million Deutsche marks (\$23 million) off the value of Metallgesellschaft AG on Monday after the metal manufacturer and trader sought help from its banks to meet liabilities on oil futures contracts.

Mellon Bank to Acquire Dreyfus

By Lawrence Malkin International Herald Tribune NEW YORK — Mellon Bank Corp. said Monday it was taking over Dreyfus Corp., one of the United States' largest operators of mutual funds, reflecting the trend by U.S. banks to aggressively bid for customers to replace their dwindling loan businesses.

That emphasizes the trend by banking companies to try to make money from financial services rather than relying on the traditional income source of spreads between borrowing and lending rates. Mellon has already taken over Boston Co., which provides administrative services for mutual funds, but the deal has landed in court in a dispute with Boston's former owners.

Italy's Markets Get Leftist Boost

MILAN — Italian financial markets, which once were plunged at the left's weekend electoral wins, rose Monday as investors decided the result was probably Italy's best hope for stability. Shares, the lira and government bond prices all gained after left-wing or left-backed candidates swept the board in mayoral elections to five major cities, including Rome.

Tokyo Plunges on Hosokawa Remarks

By James Sterngold New York Times Service TOKYO — The stock market provided another referendum Monday on the prospects of Prime Minister Morihiro Hosokawa throwing the battered economy a lifeline, with prices plunging on signs that the government is backing away from providing a quick economic fix.

Instead, from one day to the next the market has taken its cue from Mr. Hosokawa's sometimes delicate utterances. The government is all but controlling the market's direction because of the timing and worries of investors. Monday morning, Mr. Hosokawa told the parliament that he did not intend to propose a major package of spending measures and tax cuts to stimulate the economy immediately.

Thinking Ahead

A Little Help for East Europe, Please

By Reginald Dale International Herald Tribune WASHINGTON — Four years after the fall of the Berlin Wall, the West seems to wish that Eastern Europe would go away. President Bill Clinton's administration has so far largely ignored the historic struggle to replace Communism with capitalism just beyond what Washington used to regard as freedom's front line.

No thanks to Western governments, those countries closest to the West, both geographically and culturally, are beginning to turn their economies around. Poland, Hungary, the Czech Republic, Slovakia and Estonia are all widely seen as success stories. But even those countries have an excruciatingly long way to go.

Central Europeans 30 years to hit that modest target, Mr. Wolf wrote in the Amex Bank Review. These are the star performers. Many countries, including Russia, Ukraine and Belarus, may not come anywhere near Western standards to the foreseeable future, Mr. Brzezinski said.

Advertisement for UNION BANCAIRE PRIVÉE featuring a satellite image and the text 'TRADITION... ONLY WITHIN INNOVATION'.

CURRENCY & INTEREST RATES

Table with multiple columns: Cross Rates, Eurocurrency Deposits, Key Money Rates, Forward Rates. Includes various financial data points and interest rates.

Advertisement for UNION BANCAIRE PRIVÉE with contact information: Head Office - 96-98, rue de Rhône - 1204 GENEVE.

MARKET DIARY

Surge in Bonds Sparks Blue Chips

NEW YORK — Bond prices surged for the second consecutive day on Monday, lifting most of the chip stocks, as the lowest oil prices in five years reinforced expectations that inflation will remain subdued.

Over-the-counter issues, which include many of the smaller semiconductor companies, fared less well, and the Nasdaq composite index slumped 1.15 points to 71.09.

Economic Fears Push Dollar to Lower Levels

NEW YORK — The dollar tumbled against most major currencies Monday amid speculation that this week's economic reports won't be robust enough to sustain the U.S. Treasury's recent rally.

The U.S. labor secretary, Robert Reich, said Monday that he saw a danger of a rekindling of inflation despite the sharp drop in the oil price.

The government is scheduled to release producer and consumer prices for November on Thursday and Friday. The reports will probably show that inflation is too low to prompt the Federal Reserve to raise its key discount rate.

benchmark 30-year Treasury bond rose 31/32 point, to 101 2/32, amid mounting optimism over producer and consumer price reports for the month of November, which are scheduled to appear late this week.

With most economists expecting the data to confirm that inflation poses little threat to the U.S. economy, the yield for the issue fell more than 7 basis points, to 6.17 percent.

MELLON: Bank to Buy Dreyfus

Mr. Cabot said the two organizations would continue to operate independently and to retain their own names.

In no way would we want to merge the two cultures, he said. We will work together where it makes sense.

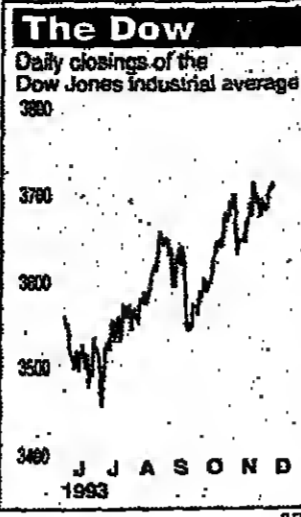


Table of NYSE Most Active stocks, listing symbols, volume, and price changes.

Table of NYSE Daily Index, showing various market indices and their performance.

Table of NASDAQ Daily Index, showing NASDAQ-related market data.

Dow Jones Averages

Table of Dow Jones Averages, including Industrial, Composite, and Financial indices.

Standard & Poor's Indexes

Table of Standard & Poor's Indexes, including Industrial, Composite, and Financial indices.

NYSE Indexes

Table of NYSE Indexes, including Composite, Industrial, and Financial indices.

NASDAQ Indexes

Table of NASDAQ Indexes, including Composite, Industrial, and Financial indices.

EUROPEAN FUTURES

Table of European Futures, including Food, Metals, and Stock Indexes.

Stock Indexes

Table of Stock Indexes, including FTSE 100, Nikkei, and others.

Dividends

Table of Dividends, listing companies and their dividend payments.

U.S. FUTURES

Table of U.S. Futures, including Grains, Metals, and Livestock.

Industrials

Table of Industrials, listing various industrial stocks and their prices.

Metals

Table of Metals, including Aluminum, Copper, and Zinc.

Stock Indexes

Table of Stock Indexes, including FTSE 100, Nikkei, and others.

Dividends

Table of Dividends, listing companies and their dividend payments.

Mohawk Buys Another Carpet Maker

ATLANTA (Bloomberg) — Mohawk Industries Inc., the second-largest U.S. carpet maker, said Monday that it agreed to acquire the privately held Aladdin Mills Inc. in a stock-swap transaction valued at about \$430 million.

Another Bid for Hungary's Telecom

BUDAPEST (AFP) — U.S. West Inc. and France Telecom have formed a consortium to enter the bidding for a 30 percent stake in MATAV, Hungary's state-owned telecommunications company.

Boehringer to Buy Stake in CellPro

SEATTLE (Bloomberg) — CellPro Inc., a gene therapy company, said it could receive as much as \$220 million from Corange Ltd., the Bermuda-based parent of Boehringer Mannheim & DePuy, under agreements announced Monday.

Dow Jones Carries New York Times

NEW YORK (Combined Dispatches) — Dow Jones & Co. said Monday that its business information services unit would begin in the spring of 1994 to electronically carry the daily news content of The New York Times that runs on the New York Times News Service.

For the Record

Boeing Co. said Dean Thornton will retire as president of its beleaguered commercial airplane group and be replaced immediately by Executive Vice President Ron Woodard.

Weekend Box Office

Table of Weekend Box Office, listing movies and their weekend earnings.

WORLD STOCK MARKETS

Table of World Stock Markets, listing various international stock indices and their performance.

Amex Diary

Table of Amex Diary, listing Amex-related market data.

Hong Kong

Table of Hong Kong, listing Hong Kong-related market data.

Johannesburg

Table of Johannesburg, listing Johannesburg-related market data.

London

Table of London, listing London-related market data.

Montreal

Table of Montreal, listing Montreal-related market data.

Stockholm

Table of Stockholm, listing Stockholm-related market data.

Sydney

Table of Sydney, listing Sydney-related market data.

Tokyo

Table of Tokyo, listing Tokyo-related market data.

Seo Paulo

Table of Seo Paulo, listing Seo Paulo-related market data.

Singapore

Table of Singapore, listing Singapore-related market data.

Zurich

Table of Zurich, listing Zurich-related market data.

Toronto

Table of Toronto, listing Toronto-related market data.

Metals

Table of Metals, including Copper, Nickel, and Zinc.

Industrials

Table of Industrials, listing various industrial stocks.

Livestock

Table of Livestock, including Cattle and Hogs.

Financial

Table of Financial, including Bond and Money Market data.

Stock Indexes

Table of Stock Indexes, including FTSE 100, Nikkei, and others.

Commodity Indexes

Table of Commodity Indexes, including Energy and Precious Metals.

To subscribe in Germany just call, toll free, 0130 84 85 85

THE CLOSE
Carpet Maker
Monday's Prices
NASDAQ
ASDAQ prices as of 4 p.m. New York time.

Table with columns for Stock, Div, Yld, PE, High, Low, Last, Change. Includes NASDAQ and ASDAQ price listings.

Table with columns for Stock, Div, Yld, PE, High, Low, Last, Change. Includes various international stock market listings.

# London Weekend Resists Takeover By Granada TV

Compiled by Our Staff From Dispatches LONDON — London Weekend Television Holdings PLC said Monday that it rejected a takeover bid valued at £600 million (\$895 million) made earlier in the day by Granada Television Ltd., a unit of Granada Group PLC.

It said that Granada, a conglomerate with only 20 percent of its operating profit derived from television, has little to offer shareholders of London Weekend, a station that broadcasts in the London region on weekends.

Granada's chief executive, Gerry Robinson, said the two companies would make the best possible fit in the network of regional commercial license holders. He said they provided complementary programming, with London Weekend focused on light entertainment and the arts, and Granada on drama, comedy and news and documentaries.

If London Weekend does not merge with Granada, Mr. Robinson said it would be "squeezed by both program sellers and advertising buyers," and that it would not be big enough to effectively compete against new competitors, including other new delivery technologies.

Asked if Granada would sweeten its bid to win London Weekend, Mr. Robinson declined to comment.

London Weekend said that its board believed that the bid did not "reflect the past performance and future prospects of the company."

The bid was structured so that Granada offered six of its shares for every five London Weekend shares. Granada valued the bid at 580.5 pence per London Weekend share, but the offer gained in value during the day to 594 pence a share

## Investor's Europe

Table showing stock market indices for Frankfurt DAX, London FTSE 100 Index, Paris CAC 40, Amsterdam CBS Trend, Brussels Stock Index, Frankfurt DAX, Frankfurt FAZ, Helsinki HEX, London Financial Times 30, London FTSE 100, Madrid General Index, Milan MIB, Paris CAC 40, Stockholm Affarsvaerden, Vienna Stock Index, Zurich SBS. Includes columns for Exchange, Index, Monday Close, Prev. Close, and % Change.

## Very briefly:

- Hervé Bourges, a supporter of the previous Socialist government, is stepping down as chairman of France Télévision, the state-owned broadcaster that runs the France 2 and France 3 channels.
AEG AG's supervisory board will meet Wednesday to discuss the sale of its AEG Hausgeräte business, which makes household appliances, to Electrolux AB; AEG is a subsidiary of Daimler-Benz AG.
Deutsche Aerospace Airbus GmbH, a unit of Daimler-Benz's Deutsche Aerospace AG, said Harmut Mehldorn would step down as chairman on Jan. 1 and be replaced by Gustave Humbert, the plant director. Mr. Mehldorn remains a management board member of Deutsche Aerospace.
Seatchi & Seatchi Co. said new cost-cutting measures were likely to lead to £10 million (\$14.8 million) in severance costs, beyond the £5 million previously expected, and would reduce 1993 pretax profit.
Scottish & Newcastle PLC's pretax profit rose 1.6 percent, to £108.9 million, for the six months to Oct. 31, and it said its beer business and Center Paris leisure operation were performing well.
Abold NV, the supermarket chain with operations in the Netherlands and the United States, reported a 9.3 percent rise in net profit, to 72.9 million guilders (\$37.8 million), in the quarter ended Oct. 10.

# German-French Phone Deal

PARIS — Germany and France's telephone companies, with one eye on a potential \$10 billion market and one eye on their rear guard, are set to announce on Tuesday joint-services to lure corporate clients, analysts said.

France Telecom and Deutsche Bundespost Telekom, Europe's two largest phone companies, may also announce during a news conference in Brussels that American Telephone & Telegraph Co. will be part of an international network they are creating to service multinational companies.

"We will be discussing our talks with AT&T about a possible role" it could play, said France Telecom spokesman Bruno Janet.

This arrangement could serve as the foundation for future alliances between France and Germany. It could even lead to a merger, analysts said. The companies may announce plans to swap small stakes in each other's businesses, analysts said.

"Telecoms need to be big companies to deliver what customers want," said Richard Ryder, an analyst at Salomon Brothers Inc. in London. Germany and France "are aggressively pursuing what Europe must do to advance its telecommunications policy."

It also is the start of the breakdown of Continental Europe's protectionist telecommunications policy. Up to now, each state-owned telephone company has tried

—and succeeded— to keep others out of voice services. The world market for data transmission and teleconferencing for multinationals is expected to grow to at least \$10 billion by the end of the decade. The market is in its infancy, but its potential has spawned alliances in recent months between British Telecom PLC and MCI Telecommunications Corp., and between the Spanish, Swedish, Dutch and Swiss phone companies.

"Five years ago a multinational would have been treated differently from the average Joe," said Francis Woolen, an analyst at Paribas Capital Markets. "Obviously, now, that's crazy. A multinational needs high-speed services for computer links and many other needs."

Because each national phone company developed different technical standards for international services, the market for fast and reliable transmission of computer data across borders has only now begun to catch up with the voice transmission market, analysts said. For that reason, the companies have begun to set up their joint ventures to overcome the technical differences.

Some industry observers worry the France Telecom and Deutsche Telekom link-up is a preemptive strike to seal off their markets before others are allowed to compete for voice services in 1998. If the two joint forces prior to that, analysts said, they may quietly develop their services without fear of competition.

## Bayerische Has 27% Rise in Operating Net

MUNICH — Bayerische Vereinsbank AG followed the recent trend in bank earnings on Monday by reporting record group operating profit for the first 10 months of 1993. Operating profit rose 27.2 percent, to 921.5 million Deutsche marks (\$538.9 million). The bank's chief executive, Albrecht Schmidt, said the bank intended to raise its dividend for 1993 by 1.5 DM, to 14.5 DM, and pay a bonus of 1.5 DM. He said the bank is planning a one-for-eight rights offering. The company was able to increase its payout despite sluggish economic climate and recent costs of establishing an extensive branch network in Eastern Germany.

## GATT: Disputes Linger

Continued from Page 1

traded with farm trade, long the most difficult U.S.-EC dispute. Agriculture Secretary Mike Espy and his EC counterpart, René Steichen, made it clear that they had reached a farm agreement that included significant amendments to the 1992 Blair House pact limiting export subsidies.

An EC official who spoke on condition of anonymity said the changes would phase in export subsidy cuts more gradually and partially exempt existing EC grain inventories, as France has demanded, allowing the Community to subsidize an additional 8 million tons of cereal exports over the six-year life of the pact. In addition, he said the United States had agreed not to attack EC farm programs for nine years.

French officials were questioning those figures Monday evening and demanding clear guarantees. In a letter to Prime Minister Edouard Balladur of France, in a letter to Sir Leon and to Chancellor Helmut Kohl of Germany, demanded as the price for French support of any deal a speeding up of existing EC anti-dumping procedures and changes in the voting system that would make it easier to impose anti-dumping duties, according to Mr. Rexrodt.

"We will make clear that internal EC mechanisms should not be linked to GATT," Mr. Rexrodt said. Germany has been the leading opponent of French demands for stronger EC anti-dumping actions.

Although officials declined to confirm details of the market-access package, sources indicated that the Community had endorsed U.S. demands to eliminate tariffs on wood, pulp and paper products and steel and had agreed to a big reduction in its 14 percent tariff on semiconductor imports.

"The U.S. has been a little bit more flexible on agriculture for tradeoffs on the goods sectors," said Jeffrey Schott of the Institute for International Economics in Washington. He predicted the tradeoff would win strong backing in the U.S. Congress, as industrial goods are much more important than agricultural products to the U.S. economy and trade balance.

Internationale Nederlanden Group
First nine months 1993
ING Group achieved good results for the first nine months of 1993. Net profit rose by 11.0% compared with the first nine months of 1992. Profit per share went up by 7.4% to NLG 5.50.
Total assets increased by 4.2% to NLG 337.3 billion and shareholders' equity rose by 24.7% to NLG 19.4 billion.
The results have been determined in accordance with the new accounting principles which are being applied by ING Group as of 1993.
The figures for the first nine months of 1992 have been adjusted to the new accounting principles to allow a proper comparison.
The Executive Board expects that profit per share for the whole of 1993 will show a moderate increase.

Table with columns: Amounts in Dutch guilders, Nine months 1993, Nine months 1992, % change. Rows include Result before taxation, Net profit, Net profit per share, Total assets, Investments, Bank lending, Shareholders' equity.

ING GROUP
The report for the first nine months of 1993 can be obtained at the following address:
Internationale Nederlanden Group, P.O. Box 810, 1000 AV Amsterdam, The Netherlands.
Tel.: (+31) 20 541 54 60, fax: (+31) 20 541 54 51.

# NYSE

Monday's Closing  
Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere. Via The Associated Press

Symbol	Price	Change	Volume
IBM	100.00	+0.25	1,200,000
MSFT	45.00	+0.50	800,000
ORCL	25.00	+0.10	600,000
GOOG	150.00	+2.00	400,000
AMZN	10.00	+0.15	300,000
EBAY	20.00	+0.30	200,000
YHOO	15.00	+0.20	150,000
GOOGL	180.00	+3.00	100,000
AMZN	10.00	+0.15	300,000
EBAY	20.00	+0.30	200,000
YHOO	15.00	+0.20	150,000
GOOGL	180.00	+3.00	100,000

Symbol	Price	Change	Volume
DIS	25.00	+0.10	1,000,000
WMT	40.00	+0.50	800,000
CVS	30.00	+0.20	600,000
PG	50.00	+0.30	500,000
KO	20.00	+0.10	400,000
PEP	25.00	+0.15	300,000
MRK	35.00	+0.25	200,000
ABBV	45.00	+0.50	150,000
LLY	55.00	+0.75	100,000
UNH	65.00	+0.80	80,000

Symbol	Price	Change	Volume
BA	100.00	+1.00	1,000,000
AA	15.00	+0.10	800,000
DL	20.00	+0.15	600,000
UAL	25.00	+0.20	500,000
SWK	30.00	+0.25	400,000
GM	15.00	+0.10	300,000
F	20.00	+0.15	200,000
GM	15.00	+0.10	300,000
F	20.00	+0.15	200,000
GM	15.00	+0.10	300,000
F	20.00	+0.15	200,000

Symbol	Price	Change	Volume
INTL	10.00	+0.10	1,000,000
WORLD	15.00	+0.15	800,000
EMER	20.00	+0.20	600,000
INDX	25.00	+0.25	500,000
ASIA	30.00	+0.30	400,000
EURO	35.00	+0.35	300,000
AFRICA	40.00	+0.40	200,000
AMER	45.00	+0.45	150,000
ASIA	50.00	+0.50	100,000
EURO	55.00	+0.55	80,000
AFRICA	60.00	+0.60	60,000
AMER	65.00	+0.65	40,000

Symbol	Price	Change	Volume
INTL	10.00	+0.10	1,000,000
WORLD	15.00	+0.15	800,000
EMER	20.00	+0.20	600,000
INDX	25.00	+0.25	500,000
ASIA	30.00	+0.30	400,000
EURO	35.00	+0.35	300,000
AFRICA	40.00	+0.40	200,000
AMER	45.00	+0.45	150,000
ASIA	50.00	+0.50	100,000
EURO	55.00	+0.55	80,000
AFRICA	60.00	+0.60	60,000
AMER	65.00	+0.65	40,000

Symbol	Price	Change	Volume
INTL	10.00	+0.10	1,000,000
WORLD	15.00	+0.15	800,000
EMER	20.00	+0.20	600,000
INDX	25.00	+0.25	500,000
ASIA	30.00	+0.30	400,000
EURO	35.00	+0.35	300,000
AFRICA	40.00	+0.40	200,000
AMER	45.00	+0.45	150,000
ASIA	50.00	+0.50	100,000
EURO	55.00	+0.55	80,000
AFRICA	60.00	+0.60	60,000
AMER	65.00	+0.65	40,000

**Chopard**  
GENÈVE  
depuis 1860



**La Collection GSTRAD**  
LADIES WATCH AVAILABLE IN 18CT GOLD OR 18CT GOLD AND STEEL

CHOPARD BOUTIQUES: GENÈVE - LONDON - ROMA - WIEN - KUALA LUMPUR - SINGAPORE - HONG KONG - TOKYO - JAKARTA - DUBAI - AND LEADING JEWELLERS WORLDWIDE



Continued on Page 21

هكذا من الأصل



# SAUDI ARABIA

## INVESTING IN THE FUTURE

### FROM ENERGY TO SOCIAL SERVICES, THE GOAL IS SELF-RELIANCE

As the major swing oil producer within the Organization of Petroleum Exporting Countries, the Kingdom of Saudi Arabia is subject to both internal and external pressures over its oil production, which currently amounts to some 9.6 million barrels a day. The world's largest producer and exporter of oil, Saudi Arabia is able to control the "swings" of oil production by increasing or decreasing its oil output. Future production plans are being revised, partly due to the high level of operating costs and to the reorganization of Saudi Aramco and Samarec.

Three years after the Gulf War, the kingdom is taking stock and planning greater self-sufficiency for the future. On the economic front, the kingdom is paying the price - with continued budget deficits - for defense expenditure and the exceptional war costs, which amounted to more than \$55 billion. During the summer, King Fahd, Custodian of the Two Holy Shrines, named the 60 members of the Majlis Al-Shoura, or national consultative assembly; last September, he announced the long-awaited details of the provincial system of government. It remains to be seen whether or not this will bring a new element to the debate between the Islamic traditionalists and the modernists about the current style of rule.

Self-reliance is the overriding general policy objective in most sectors, whether in energy production, social services and education, agricultural production or defense.

Speaking about diversifying the economy at a seminar in London recently, Abdulaziz Al-Zamil, minister of industry and electricity, said: "A country with a diversified economy has a stronger economy. To diversify, multiple sources must be used. Together with petroleum and natural gas, Saudi Arabia has many mineral

deposits, which are processed to give a wide range of products. Our industrial development objective is to expand and diversify the production base, develop non-oil income sources and give the kingdom a degree of self-sufficiency.

"The industrial development during the past decades," he added, "has transformed the kingdom from a raw-material producing and exporting country to a country with advanced high technology."

The total value of exports at the end of last year amounted to approximately \$2.7 billion, according to Mr. Zamil, out of a total sales production of \$13 billion. There are about 450



Planning for self-sufficiency.

manufacturing plants in the export business, out of just over 1,000 plants with a total capital investment of \$33 billion. Last year, industrial growth was 9 percent.

There is constant pressure to seek even greater involvement by the private sector in the development of the non-oil industrial and manufacturing sectors. A massive return of private capital in 1992 and a series of privatization issues have led to vigorous activity on the stock exchange, where the market capitalization of more than 50 companies was estimated at \$62

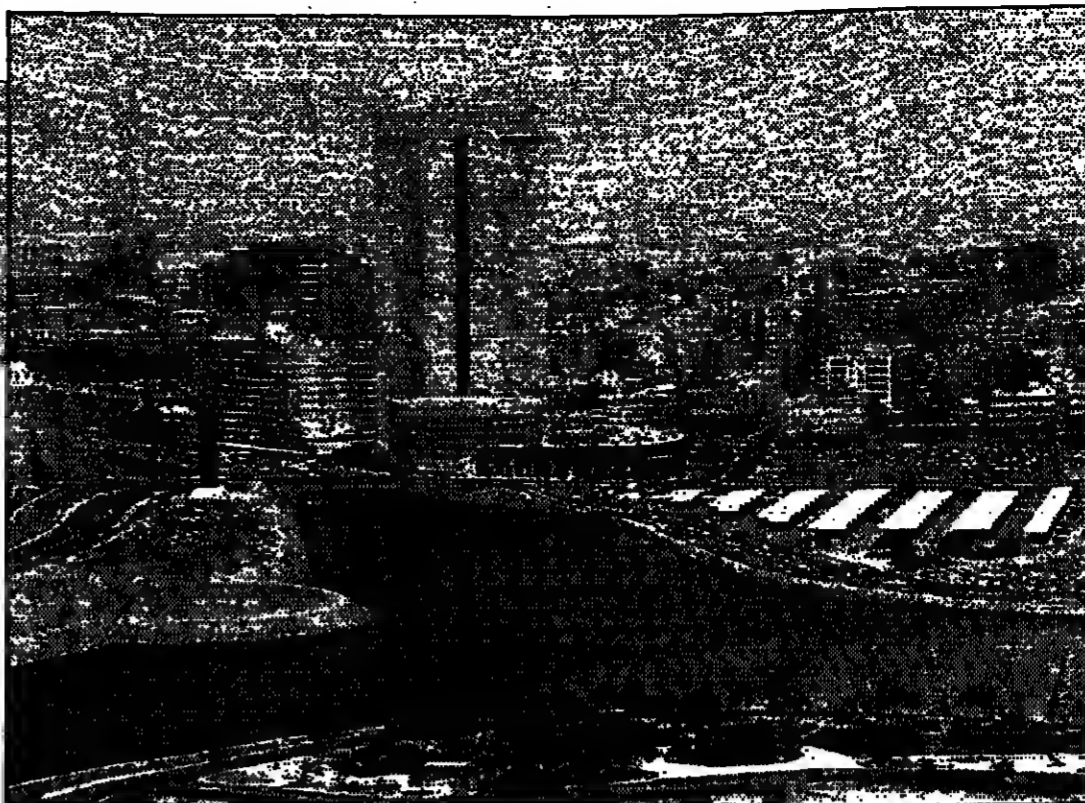
billion at the end of 1992, according to the Consulting Centre for Finance & Investment in Riyadh. Many offerings have been substantially oversubscribed; that of Saudi British Bank, which offered 1.2 million shares in February, was 26 times oversubscribed, for example. This was one factor that led the Saudi Arabian Monetary Agency (SAMA), the regulatory authority, to question some of the recent overbiddings, which led to a slowdown in the market.

While Saudi Arabia is trying to encourage more local investment, it is anxious to foster more joint ventures with overseas companies in the non-oil sector. Mr. Zamil has pointed out a significant shift in the Saudi Arabian market following the completion of a major part of the physical infrastructure over the past 20 years.

"We are now concentrating on economic diversification, with the emphasis on industry, agriculture, financial and business services," he says. "The main opportunities for foreign companies have therefore shifted away from contracting and services toward investment."

Pointing out some of the advantages of investing in joint ventures within the kingdom, he says that Saudi Arabia is one of the 30 largest economies in the world, with a total gross domestic product of more than \$82 billion. "We are a member of the Gulf Cooperation Council, which is a major free-trade area," he says. "The GCC is the largest importer of goods from the Organization for Economic Cooperation and Development. We are a modern, free-enterprise economy with political stability. Greater local industrial production is one of the main targets of our Fifth Development Plan (1990-1995). To achieve this, private local and foreign investors are being encouraged through

Continued on page 17



Modern downtown Jeddah with the National Commercial Bank (center) dominating the waterfront: "A diversified economy is a stronger economy."

### 'THE WELL TO THE WHEEL' PHILOSOPHY AND OTHER ECONOMIC GUIDELINES

Last August, the Saudi Arabian ambassador in London, Ghazi Al-Gosaibi, issued an unprecedented statement to reassure the international financial community that all was well with the kingdom's economy, which will benefit from oil revenues of about \$38 billion this year. The statement followed various media reports that the economy had been undermined by Gulf War costs of more than \$55 billion, excessive defense expenditure and ambitious development plans in the wake of declining savings and falling oil prices.

"The reports do not represent a true picture," said Mr. Al-Gosaibi. He pointed out that the gross domestic product for 1992 was \$110.2 billion, representing 26.5 percent of the total Arab GDP and making the Saudi economy the largest in the Arab world. In addition, there was a 4.9-percent growth in the oil sector and 5-percent in the non-oil sector in 1992. The assets of the commercial banks rose from \$61.9 billion at the end of December 1990 to \$82.1 billion at the end of last June. Over the same period, commercial bank deposits rose 33 percent, to \$51.2 billion, and bank

loans to the private sector were up 54 percent, to \$26.9 billion. Government-agency loans reached \$2.4 billion last year, and the private sector also subscribed a total of \$2.9 billion to new share offerings in 1992. Finally, Saudi Arabia continues to be the largest Arab exporter.

Oil revenues, which account for two-thirds of all revenue, amounted to \$45.8 billion in 1992, according to the Economist Intelligence Unit. This year, with falling oil prices, it may reach just over \$38 billion.

Although the kingdom has had a budget deficit for the last 10 years, expenditure has continued to increase the imbalance in spite of strong recommendations by the International Monetary Fund that stiffer controls be exercised and that massive subsidies (particularly for agriculture) be reduced. Wheat and barley subsidies this year will amount to more than \$1.6 billion. Last year, Saudi Arabia grew just under 4 million tons of wheat, making it the world's sixth-largest wheat producer.

Mohammad Ali Abalkhail, minister of finance and the national economy, has also tried to clarify his country's economic position. Commenting on

the budget deficit in a letter to the New York Times, he said that this would be financed through domestic bond issues "similar to the practice of all governments."

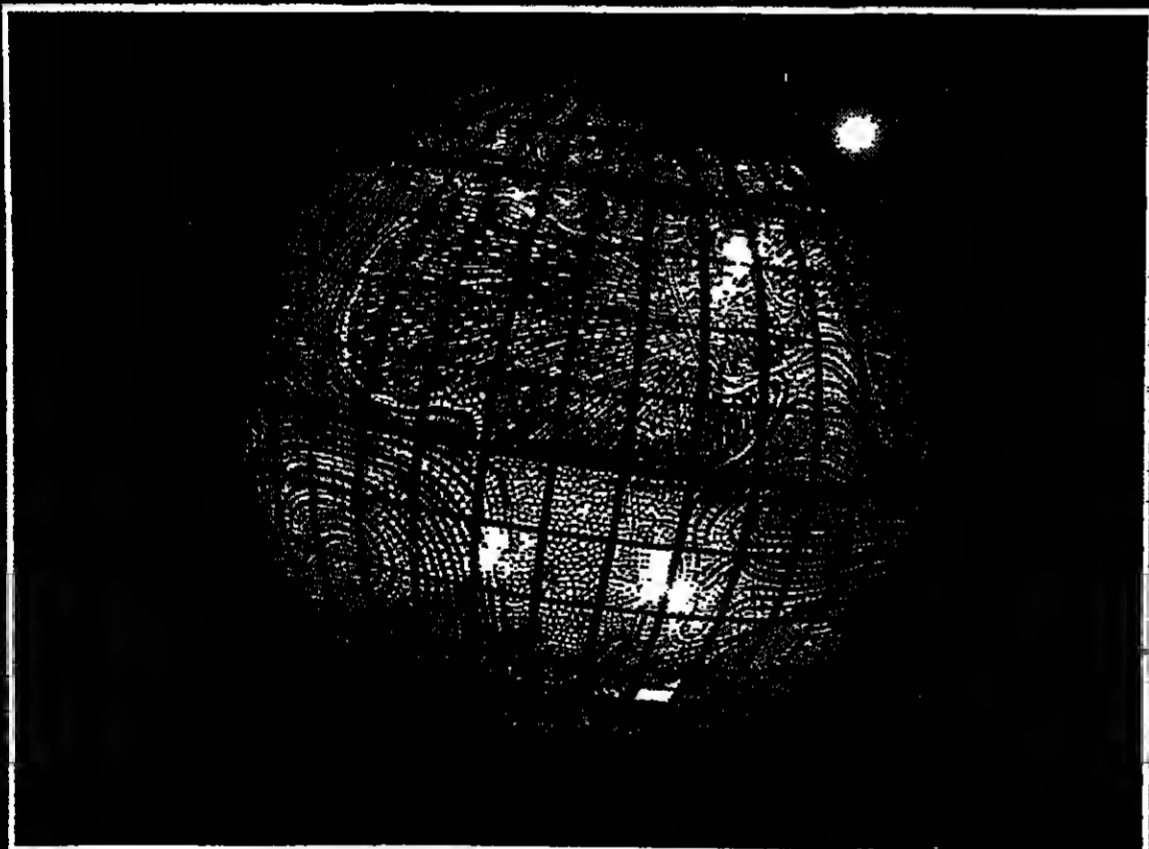
He continued: "Most of the public debt in the kingdom is an internal debt, and the amount borrowed by the kingdom abroad is very limited - not exceeding \$4.5 billion... the public debt does not exceed 5.2 percent of GDP, which is less than the maximum taken by the EC for its standard creditworthiness."

Western bankers feel that the kingdom will undertake more sovereign borrowing in order to maintain the level of finance needed to meet some key operating costs and expansion programs in the oil and petrochemical sector. The various government entities are also being encouraged to borrow from both the domestic and international banks.

Current oil production is more than 8 million barrels a day, and the plans are to increase production to 10 million barrels a day by the end of 1994. Further expansion, however, is likely to be limited, according to industry

Continued on page 18

Power and Telecommunications for the World



Our quality products and services reach 40 countries across the globe.

مجموعة شركات الكابلات السعودية  
Saudi Cable Group of Companies

P.O. Box 4403, Jeddah 21491 K.S.A. Tel: 6594040, Fax: 607292, C.O.P.S. Jeddah 21491, Fax: 6073925

IN ALL DIRECTIONS

NSCSCA

في كل اتجاه



الشركة الوطنية للاتصالات  
THE NATIONAL COMPANY FOR TELECOMMUNICATIONS OF SAUDI ARABIA

المركز الرئيسي: ص.ب. الرياض 1121  
Head Office: P. O. Box 8831 Riyadh 11211  
1-4785454, Fax: 00966-1-4778036

مجموعة شركات الكابلات

# BANKING SECTOR AND STOCK MARKET POST IMPRESSIVE GAINS

The recapitalization of Saudi Arabia's largest commercial bank, together with steady results for the other financial institutions during the first nine months of this year, confirm that the kingdom's banking sector remains healthy and profitable.

Figures released in November by the National Commercial Bank for 1992 show that its net income rose impressively, from 159.2 million Saudi riyals (\$42.5 million) to 427.8 million Saudi riyals. With assets of 63.7 billion Saudi riyals, NCB is the largest bank in the country.

The 10 other banks that have reported results for the nine-month period ending in September this year have

all experienced a rise in profits as well. Bank al-Saudi al-Fransi, whose minority partner is Banque Indosuez, recorded an impressive 60-percent rise in net earnings, which reached 269 million Saudi riyals. Saudi British Bank also saw its net profits improve remarkably; these rose 50 percent, to 299 million Saudi riyals. Albank AlSaudi Alhollandi's profits amounted to 136 million Saudi riyals, up almost 48 percent by the end of September, and already above the level earned for the whole of 1992.

The combined assets of the 10 banks rose by 10.9 percent, to 250.1 billion Saudi riyals, over the 12-month period preceding the

end of September. In terms of assets, Riyadh Bank is ranked second, behind NCB, with a total of 54.1 billion Saudi riyals, followed by the Saudi American Bank (Samba), with 40.2 billion Saudi riyals; the Arab National Bank (ANB), with 31.8 billion Saudi riyals; and the Al-Rajhi Banking and Investment Corporation, with 30.5 billion Saudi riyals.

Customer deposits of the 10 reporting banks were up 7 percent during the 12 months preceding September, with Samba recording the largest share: 30.2 billion Saudi riyals.

Many Saudi banks continue to invest substantial sums in securities, including Saudi government

bonds. The Arab National Bank, Saudi British and Riyadh Bank are reported to be particularly active, according to the Middle East Economic Survey. With the government needing to finance a deficit, which this year is expected to reach 27.8 billion Saudi riyals, bank balance sheets can be expected to continue to expand in this sector. There are signs, however, that some financial institutions are no longer happy with lending to state agencies and companies, given the relatively lower returns and longer credit terms.

Many banks are hoping that they will be allowed to take positions in Saudi Arabia's stock market. At present, they can only buy or sell on behalf of customers, and brokers are not permitted. While the market is currently below the peaks reached in April 1992, its growth has been phenomenal as private-sector confidence has mushroomed. From an average capitalization of just 75.9 billion Saudi riyals in 1986, it had reached a total of 244.1 billion Saudi riyals by the end of last year.

Trading growth has been impressive. The value of shares exchanged last year amounted to 13.7 billion Saudi riyals—more than 16 times as high as in 1986. The number of transactions

carried out over the seven-year period has risen even more, by a factor of about 25.

The banks have been benefiting from the market's growth, with several having raised their capital in the past year or two through public floatations.

Riyadh Bank, which was capitalized at 6.973 billion Saudi riyals at the end of September, making it the largest in the kingdom in terms of equity.

NCB, which is privately held by prominent Saudis, has also raised new capital. Including its statutory re-



Riyadh Bank is the kingdom's largest in terms of equity.



Saudi Investment Bank offers investors a walk-in lounge.

# MERGER CREATES WORLD'S LARGEST OIL GROUP

For well over a year, discussions have been taking place about a merger between Saudi Aramco and Samarec, the two largest state oil entities. This finally took place last June, creating the world's largest single oil group, which will become a direct competitor with companies like Royal Dutch Shell, Venezuela's PDV and America's Exxon.

According to a leading Saudi oil man, this merger is only the first stage of what is hoped will be a totally integrated operation, combining crude-oil production, refinery operations, lube-oil production, transportation and global marketing of all Saudi-based products as well as those from its overseas interests in Europe, the United States and the Far East.

Saudi Aramco was formed in 1988 to continue operations carried out by the Arabian American Oil Company (Aramco), whose shareholders were the oil majors—Chevron, Texaco, Exxon and Mobil—together with the Saudi government, which had been steadily increasing its interests in the company.

Saudi Aramco is the largest oil-producing company in the world, with a current capacity of approx-

imately 9.6 million barrels a day. Samarec is the refining and marketing arm of the industry, although not all refining capacity has been in the hands of the company. A clash of inter-

**Saudi Aramco's capacity: 9.6 million barrels a day**

ests, overlapping management and a somewhat inconclusive strategic oil policy were partly responsible for the takeover by Saudi

changes in responsibilities among senior executives; these have yet to take place.

Saudi Aramco has also taken over most of the activities of the General Petroleum and Minerals Organization (Petromin), including Petromin's interests in the three major joint-venture export refineries—Shell (Jubail), Mobil (Yanbu) and Petrolia (Rabigh). These are in addition to its wholly owned refineries at Riyadh, Jeddah and Yanbu, which are mainly aimed at the domestic market.

with a Texaco subsidiary in the United States. This led to the formation of Star Enterprise, the sixth-largest seller of gasoline in the United States. It also gave the company a 50-percent share in three major refineries, with a guaranteed outlet for 600,000 barrels a day of Arabian crude.

In 1991, Saudi Aramco bought a 35-percent share in the Ssang Yong Oil Refinery, South Korea's third largest, with a capacity of

up to 325,000 barrels a day. Ssang Yong plans to build a refinery in China. Another ambitious \$8 billion refinery plan, originally agreed upon two years ago in Japan, has just been halted because of a reported policy disagreement among the Japanese partners, Nippon Oil and Nikko Kyodo. A reciprocal project to build a joint Japanese-Saudi refinery in the kingdom has also been dropped.

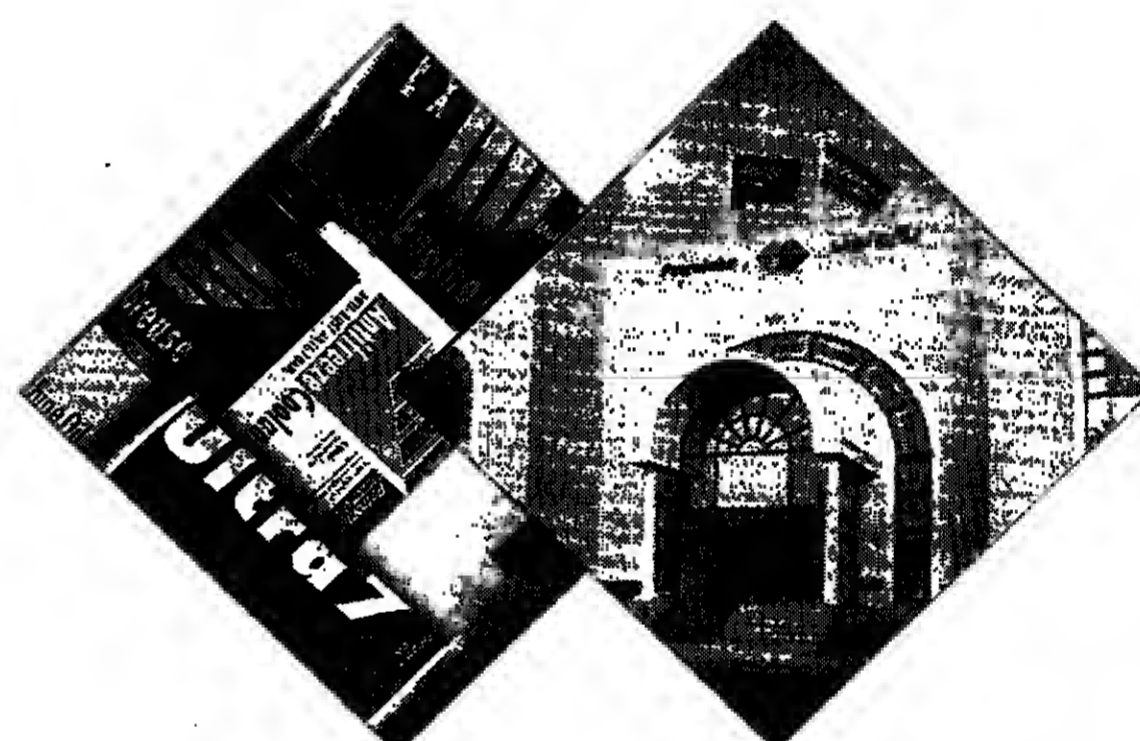
Lee Voysey




Petromin: style, substance and takeover.

Originally, \$17.5 billion had been slated for upgrading the kingdom's refineries: \$1.5 billion of this amount was slated to rebuild and expand the giant export refinery at Ras Tanura (owned by Saudi Aramco), which was damaged by fire two years ago. The U.S. Brown & Root is managing the project, which will raise output to 300,000 barrels a day, rising to a possible 600,000 barrels a day. Final contracts are expected to be awarded by the end of next year.

Five years ago, Saudi Arabia first began to expand its international investments in the oil business as a step toward a more fully integrated operation. This began in late 1988 with a joint venture



This advertising section was produced in its entirety by the supplements division of the International Herald Tribune's advertising department. • John M. Roberts, based in Edinburgh, is editor of the monthly newsletter Middle East Monitor. • Pamela Ann Smith, based in London, writes often about Middle East issues. • Lee Voysey is a free-lance writer based in Britain who often writes about the Middle East.



**Al Faisalia Group**  
P. O. Box 1228, Jeddah 21431, Saudi Arabia. Tel: 644-8028. Fax: 644-1833. Telex: 801036 MODERN SA.

**Modern Electronics Est.**  
Modern Electronics Establishment is the sole distributor of Sony consumer products, Sony professional products and Hewlett Packard products in the Kingdom of Saudi Arabia. Now a subsidiary of the Al-Faisalia Group, Modern Electronics Est. was founded in 1970 with offices in Jeddah. It had just five employees and a turnover of US\$200,000. Today ME's total staff strength has grown to over 400 employees with offices and showrooms all over the Kingdom and a turnover of US\$250 million.

**Modern Petrochemicals Est.**  
Ethyl's petroleum additives and industrial chemicals  
Founded in 1983, MPE is the distributor for Ethyl Corporation, an American chemical giant. These products are finding wide acceptance in the petroleum and petrochemical industries throughout the Kingdom. MPE stands as a promising petrochemical entity dedicated to the petrochemical future of the Kingdom by being an outlet through which know-how and high-tech can be brought home.

**Al Saff Dairy Est.**  
Founded in 1978, Al Saff is the world's largest integrated dairy company, located 100 kms south of Riyadh, in the Al-Hufayf area. Al Saff was the first fresh milk dairy farm to be awarded the coveted quality mark by SASO - the Saudi Standards Organization - for 1988, and then in 1990, 1991. With a large herd, numbering over 20,000 and still growing, Al Saff has nearly 11,000 milking cows at any one time, and an annual milk production of over 75 million litres. The farm itself is spread over an area of some 40 sq. kilometres. Al Saff provides consumers with fresh dairy products daily, including Milk, Laban, Yogurt, Laban, Lactogen milk and a variety of flavoured milk products.

**Al Faisalia Agriculture Est.**  
Located in the fertile Wadi Fatima, to the north of Makkah, over an area of two million sq. meters, this greenhouse farm produces a variety of vegetables including tomatoes, cucumbers, peppers, green beans and many others. It also grows many kinds of flowers such as carnations, roses and others. Although it now caters to the Jeddah/Makkah area, it intends to grow larger and provide many other Saudi cities with its products.


**Audio-Visual Home Entertainment. Computers. Medical and Scientific Equipment. Trade. Turnkey Electronic Projects. Agriculture. Dairy Farming. Industry. Service.**

## BEFORE WE COULD CELEBRATE A SUCCESSFUL 25th ANNIVERSARY WE HAD TO DO A FEW THINGS FIRST!


- FIRST** lubricant manufacturer in Saudi Arabia
- FIRST** Saudi company to receive the SASO mark of quality
- FIRST** company to export Saudi products to over 32 countries
- FIRST** to introduce advanced motor oils, the latest being SH multigrade

**The list just doesn't stop. But then neither do we.**

Petrolube looks back over the past twenty five years with pride. For us it has been a quarter of a century of great challenges and rewards. Under the Patromin Oils brand name we have supplied consumers in over 32 countries around the globe with more than 100 lubricating oil and grease products. Major international engine manufacturers approve our products which meet, if not exceed, the standards set by the American Petroleum Institute. We were the first in Saudi Arabia, we still are and we intend to stay there. Why? Ask our consumers. They keep us there.



**Petrolube**



P.O. Box 1432, Jeddah 21431, Kingdom of Saudi Arabia Tel. 661-3333, Fax. 661-3322



A landmark of the oil industry: Petrolube's headquarters in Jeddah.

## A COMPETITIVE NEW BREED OF COMPANY

One of the flagships of Saudi Arabia's oil industry is Petrolube, the Petromin Lubricating Oil Company, which this year celebrates its 25th anniversary. "It is typical of the new breed of Saudi companies, which are expanding their market horizons and helping the kingdom build its trade balance," says a top government official.

The kingdom's oldest downstream joint venture, Petrolube is 71-percent owned by Petromin (the General Petroleum and Minerals Organization) and 29-percent by Mobil. The company was restructured in 1988 and given control of all Petromin's lubricant operations. It now acts as a commercial entity competing freely in the Middle East and other parts of the world.

With a total designed blending capacity of more than 6 million barrels a year, Petrolube supplies about two-thirds of Saudi Arabia's lubricants. About 40 percent is sold under its brand name Petromin Oils, and the rest through blending and packaging agreements for other brand-name accounts. These include Elf, Valvoline, Toyota and Mobil, which - together with Petromin Oils - have a 60-percent market share in Saudi Arabia.

"Our goal of producing an ever-growing range of world-class prod-

ucts to fulfill our customers' lubricating needs and our dedication to the continuous improvement of those products is the focus of our corporate mission," says Ahmed M. Alkhereiji, chairman and president of Petrolube.

More than 100 lubricants are marketed under the Petromin Oils brand; these are blended at plants throughout the region and in several other parts of the world. Petromin has plants in Jeddah, Riyadh and Jubail; last year, it opened a blending operation in Cairo, Egypt, which supplements existing operations in Casablanca and Rotterdam. Industry sources are expecting Petrolube to open further blending plants in Malaysia and possibly Spain and Lebanon.

Petrolube's main product lines include gasoline motor oils, diesel-engine oils, turbine oils, brake fluids, automatic transmission fluid, marine oils, hydraulic fluids, transformer oils, antifreeze, sewing-machine oils and metalworking fluids.

With its multimillion-barrel production capacity, Petrolube is thought to serve more export markets than any other Arab-owned industrial company. Before any product reaches the market, it is subjected to exacting tests at Petrolube's three laboratories. These are operated at such high standards that other Saudi government

agencies often ask Petrolube to carry out independent tests on other products for the Saudi market.

Quality has always been the key to Petrolube's success. It was one of the first lubricant manufacturers in the kingdom to receive the Saudi Arabian Standards Organization (SASO) quality mark of approval. It is now completing formalities for recognition by the International Standards Organization next year.

Petrolube's products are derived from Arabian light crude, known for the quality of its constituent properties. The base oils are supplied by a sister company, Luberef, the Petromin Lubricating Oil Refinery. At the blending plants, these oils are enhanced with chemicals and other compounds to improve their quality, composition and performance.

There is constant pressure to meet and exceed the exacting demands of Petrolube's customers around the world, who want the most up-to-date lubricating technology. The latest example is Petrolube's recent introduction of the American Petroleum Institute's SH category of motor oil to Saudi Arabia. This has been applied by upgrading the specific gravity of Petromin Oils flagship product, Ultra 7, to API SH 20W 50.

L.V.

## QUESTIONS ON FUTURE OF KINGDOM'S OIL

In 1933, Saudi Arabia signed the first oil-concession agreement with Standard Oil of California, the forerunner of today's Chevron company. Five years later, the first commercially viable oil field was discovered at Dhahran; in 1939, the first crude oil was shipped for export. Today, Saudi Arabia holds 26 percent of the total proven oil reserves in the world, and it is the largest producer in the Organization of Petroleum Exporting Countries.

With Saudi Arabia's current oil production at around 8.5 million barrels a day, there are signs that the major capital-expansion program an-

Outlook is 'not great' for new discoveries

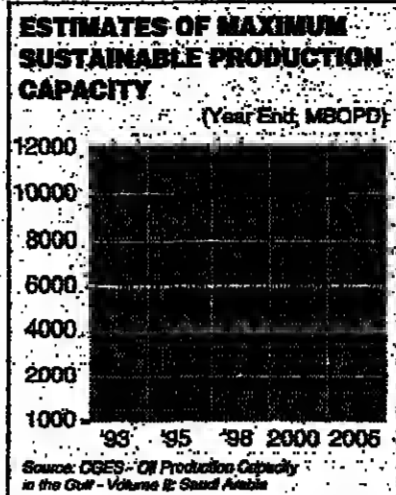
nounced four years ago to substantially boost production to as much as 11.5 million barrels a day by the latter half of the decade is now being revised.

Industry sources in Jeddah and Dhahran suggest that a major reappraisal of crude-oil production and the upgrading and construction of new refineries is under way, following the takeover of Samarec, the state oil-marketing agency and refinery operator, by Saudi Aramco.

In its latest report on the Gulf oil scene ("Oil Production Capacity in the Gulf, Volume 11, Saudi Arabia"), the London-based Centre for Global Energy Studies raises some pertinent questions about the future of the Saudi oil industry after the Gulf War and the kingdom's subsequent impressive production, which leapt by 3 million barrels a day within a few months.

The report asks whether it is realistic to expect a capacity of between 11 million and 12 million barrels a day by the end of this decade, or by the year 2005. Other questions concern the kingdom's priorities regarding oil-field development and the amount of investment needed to expand production capacity and to maintain existing capacity.

"Crude-oil production capacity is now about 9 million barrels a day,"



such as Shaybah will have to be developed by then and other oil fields such as Harmaliyah, Khursaniyah and Khurais will have to be brought back into production. The development of Shaybah alone is expected to cost between \$4 billion and \$7 billion.

CGES estimates that the annual capital expenditure to maintain existing production capacity ranges from \$1.5 billion to \$2 billion a year. Additional capital expenditure to increase production capacity is likely to be between \$250,000 million and \$1 billion a year, or the equivalent of up to \$1 per barrel produced.

"These costs exclude the operating expenditures, which are thought to be higher than the capital costs," adds the report. "However, the operating costs are expected to be reduced following the recent cost reductions and organizational restructurings being conducted within Saudi Aramco."

Commenting that even Saudi Arabia, the possessor "of the world's largest proven reserves," has to spend large amounts just to maintain present production levels, CGES states that most production is likely to come from existing producer fields over the next seven years.

"This has important implications, one of which is that Saudi Arabia's oil production is unlikely to be able to grow that rapidly. Even if these fields' oil reserves are revised upwards - as often happens - this usually tends to extend the fields' production profile rather than boost their rates of output."

CGES concludes that the outlook for new discoveries and their contribution to production "is not great, according to Saudi Aramco's development program."

L.V.

## THE UPS AND DOWNS OF PETROCHEMICALS

Policy reappraisals and capital-spending cutbacks in the light of falling oil revenues have already begun to have an effect on the future of the downstream and petrochemical industries in the kingdom.

While eager to produce more feedstock and increase the added value of semi-manufactured products in the petrochemical industries, planners are taking stock before embarking on future developments.

One of the biggest surprises earlier this year was

the unexpected cancellation of a \$500 million MTB (a petroleum additive) plant at Yanbu on the Red Sea

Sabic: an \$8 billion expansion program

coast. This was to have been a joint venture (called the Arabian American Chemical Company) between Mobil and the Arabian Chemical Investments Co. (ACIC), a private company headed by Luay Nazer, son of the Saudi Arabian oil minister. The

plant was to have produced 800,000 tons of MTB a year. Industry analysts suggest that the cancellation may have been due in part to the Saudi Aramco-Samarec merger and the need to review some major projects.

Saudi Basic Industries Corporation (Sabic), however, is going ahead with a planned \$8 billion expansion investment for its petrochemical and other plants. This includes a number of "de-bottlenecking" projects. Altogether, it will raise the annual pro-

duction capacity of its plants from 13 million tons to 20 million tons by 1995.

Last August, a major expansion project at Petrokemya - a wholly owned Sabic subsidiary in Jubail - was completed as its new olefins plant came on-stream. This will eventually double manufacturing capacity to 1.8 million tons a year of ethylene, propylene, benzene and butadiene.

Japan's Mitsui Engineering & Shipbuilding provided the \$1.2 billion flexible feedstock cracker, and Italy's TPL is building an extension for additional butene production. The U.S. company Litwin Engineers & Contractors is designing a polystyrene expansion plant, and Petrokemya is said to be considering an additional ethylene cracker.

Ibrahim A. Ibn Salamah - Sabic's vice chairman and managing director as well as chairman of Petrokemya - describes the current expansion as the most important second-generation project. "This is Sabic's first multiple-feedstock cracker that can convert heavier feedstocks such as propane, butane and naphtha, enabling the corporation to further diversify its downstream-product portfolio," he says.

The project will mean additional exports for us. Technologies used by the new Petrokemya plants are M.W. Kellogg's millisecond (ethylene), Institut Français du Petrol's hydrogenation, BASF's butadiene process and Lummus's benzene process.

Two other Sabic companies will use Petrokemya's propylene as feedstock for two new products. Ibn Zahr (Saudi European Petrochemical Co.) will be producing polypropylene, and Samad (Al-Jubail Fertilizer Co.) will produce 2-ethyl hexanol (2-EH) by 1995. Benzene will be used for styrene production at Sadaf (Saudi Petrochemical Co.), another of Sabic's 15 world-class plants. Butadiene, a raw material used for manufacturing certain kinds of rubber, will be exported overseas until Saudi Arabia is able to build its own rubber-processing plants.

"Synergy and integration have been key elements in the expansion of Sabic's world-class manufacturing operations over this last decade," says Mr. Salamah. He points out that Petrokemya's new cracker demonstrates that Sabic is rapidly attaining its goals of diversification and contributing to national exports and import substitution.

As part of its worldwide marketing strategy, Sabic has just announced the opening of a new office in Italy. Earlier this year, it opened one in Germany, and it is expected to open another in France in the near future.

L.V.

# Thinking of marketing pharmaceuticals, medical supplies or consumer goods in Saudi Arabia?

## Better do it by the book.

Tamer, one of the leading and most progressive Saudi companies, is engaged in the import, marketing and distribution of pharmaceuticals, medical supplies and consumer goods.

Tamer has recently published a 32-page booklet outlining its overall business activities and providing an insight into its highly developed infrastructure.

Tamer's organizational structure and operations are designed to accommodate any additional future expansion.

Tamer, ranking in the Top One Hundred Saudi Companies, aims to expand its current activities through vertical integration focused on industrial projects.

To receive your copy, fill in the coupon and send it to: Tamer Company, P.O. Box 183, Jeddah 21111, Saudi Arabia. For the attention of the General Manager. Or fax it to (06) 21 642 98 24.



Please send us your new book

Name \_\_\_\_\_  
 Title \_\_\_\_\_  
 Company \_\_\_\_\_  
 Address \_\_\_\_\_  
 City \_\_\_\_\_ Zip Code \_\_\_\_\_  
 Country \_\_\_\_\_



# The Book

KING FAHD HOSPITAL in MADINA  
 OHUD HOSPITAL in MADINA  
 PRINCE ABDULMOHSIN HOSPITAL  
 in AL-OLA

These Modern & State of the Art Hospitals

are an example of

The Advanced Medical Care

provided by the Government of

SAUDI ARABIA

To Its People

SAMAMA Co. is proud to have signed a contract

to manage and operate



P.O. Box 2781 - Riyadh 11461

Kingdom of Saudi Arabia

Tel: (01)463-4005 Tlx: 402430 SAMAMA SJ Fax: (01)463-1651

شركة ساماما



ADVERTISING SECTION

ADVERTISING SECTION

# THE WORLD IS ITS MARKET (AND NOT MERELY FOR OIL)

Saudi industry is no longer synonymous with petrochemicals. The kingdom produces a wide range of products, from advanced electronics to basic raw materials such as cement. Its market is the world, as companies such as the Dammam-based National Filter Company rack up millions of dollars in exports of oil and air filters, which it now sells not only to the Gulf, but also to Europe and the United States.

The point was made emphatically by Abdul Jarim al-Mudaris, the secretary-general of the Arab British Chamber of Commerce, when he explained why the Saudi public and private sectors had joined together to mount a major "Made in Saudi Ara-

**'Kingdom is not merely sand, camels and oil'**

bia" exhibition in London earlier this year.

"Too many people, even in the business community, still labor under the mistaken belief that Saudi Arabia is merely sand, camels and oil," said Mr. al-Mudaris. "This exhibition, showing the modern, industrializing Saudi state, is meant to dispel that view." More than 50 companies displayed their wares at the show, which featured products from most of the major private-sector groups, such as Olayan, Binladin and Albattain, as well as the high-tech output from joint ventures fostered by the country's various offset programs.

Saudi industry is not the sole prerogative of the big names, however. With the completion of basic infrastructure services, there are some positive signs that small businesses, which are inherently more flexible than large enterprises, may now be set for a period of sustained expansion.

Around 80 percent of all manufacturing establishments in the kingdom are thought to be in the small or medium category; this is a somewhat lower proportion than that in most de-



From electronics to syringes, "Made in Saudi" includes far more than oil.

veloped economies, reflecting the continuing dominance of the big state and merchant family concerns. The smaller enterprises, however, account for 60 percent of all jobs in industry, and they are successfully carving out a role for themselves as subcontractors and components suppliers to larger enterprises.

These companies are playing their role in contributing to the country's non-oil exports. While crude oil and petrochemicals naturally constitute the bulk of Saudi exports, in 1992 the kingdom managed to export no less than 3.52 billion Saudi riyals (\$940 million) worth of non-hydrocarbon manufactures — up 15 percent on 1991 levels. In September, Industry Minister Abdulaziz al-Zamil said that Saudi national products had now proved their worth and were being exported to more than 80 countries.

Apart from petrochemicals, the biggest concentration of industry is in two sectors — metals, and the food, beverages and animal-products sector. In 1989-1990, each of these accounted for just over one-fifth of all private-sector industrial activity. Metal industries were worth 7.6 billion Saudi riyals; the foodstuffs sector, 7.3 billion Saudi riyals; construction product output, 4.7 billion Saudi riyals; and machinery, appliances and equipment, 4.2 billion Saudi riyals.

Since 1990, the industrial sector has continued to expand. Some 250 new licenses for industrial projects were

issued in 1990 and a further 349 in 1991. This year, more than 100 new licenses were issued in the first quarter alone, for a variety of projects ranging from refrigerator and freezer production to insecticides, detergents, automobile spare parts and accessories, and veterinary medicines. The Industry Ministry put the projected capital to be used at around \$600 million.

The Ministry of Planning estimates that the kingdom now has more than 2,400 factories, with a total investment value estimated in excess of \$33 billion, compared with only 1,000 factories 15 years ago. Last year, industrial growth was estimated to have reached 6.4 percent. Since the Gulf War, the construction sector has fared particularly well, fueled by demand for private homes and with new companies such as the Riyadh Construction Company springing up to take advantage of the building boom.

Although progress has been hampered by cement and concrete shortages, a series of projects intended to expand existing cement works or to build new ones looks likely to ensure a near doubling of domestic cement production in 1994. At least one of the companies expanding its existing facilities, the Southern Province Cement company, is already a significant exporter. In 1992, local cement sales totaled 1.4 million tons, while foreign sales totaled 211,408 tons.

John Roberts

## TALE OF TWO CITIES, CREATED BY ROYAL COMMISSION

Founded in 1975, the Royal Commission for Jubail and Yanbu has been responsible for some of the most impressive industrial developments in the Middle East.

Created to establish the two industrial cities of Jubail — located on the Gulf in the Eastern Province — and Yanbu, which adjoins the Red Sea coast in the west, the Royal Commission has become a textbook case of successful industrial development and promotion. Jubail, for example, now houses the largest concentration of manufacturing complexes and industrial services in the Arab world.

While the Ministry of Industry has followed the commission's lead and is now setting up smaller industrial cities throughout the kingdom, RCJY is looking to the future. In addition to promoting secondary and tertiary industries in Jubail and Yanbu, the commission is also considering marketing its promotional services further afield.

One international recommendation under considera-

tion is that the commission play a key role in helping to foster joint industrial cooperation between Saudi Arabia and other Middle Eastern countries, such as Egypt, Jordan, Syria and Turkey.

The Jubail industrial area was designed to cover 900 square kilometers (350 square miles) on a site 80 kilometers (50 miles) north of Dammam. Yanbu was established on a location covering 150 square kilometers, located 350 kilometers north of Jeddah. Forming the backbone of development in the twin cities are heavy industries, including oil, gas and petrochemicals, and other sectors that demand high energy inputs or petrochemical feedstocks.

Many of the projects now established were carried out by foreign multinationals, often in partnership with Saudi agencies such as the Saudi Arabian Basic Industries Corporation (Sabic). In addition, both cities have advanced modern ports for industrial and commercial cargoes.

P.A.S.

## WHEAT, FLOWERS AND OTHER EXPORTS

Air travelers may be baffled by the large circles of green dotting the desert landscape as they approach Riyadh airport. For Saudis, however, the idea of being a major agricultural producer is nothing new.

Thanks to generous government subsidies, billion-dollar investments in water resources and other support for training schemes, marketing and agricultural research, the Kingdom of Saudi Arabia is not only self-sufficient in wheat but is also an exporter of foodstuffs and other agricultural produce.

The kingdom's average annual output includes almost 4 million tons of wheat, 700,000 tons of dates, about 2.6 million tons of fruits and vegetables, 270,000 tons of poultry and almost 300,000 tons of milk and other dairy products, as well as some

46,000 tons of fish, according to government figures.

Using the modern distribution, packaging and processing facilities set up by the Saudi Fisheries Company (SFC), Saudi shrimp and other seafood are flown to destinations in other parts of the Middle East, Japan and the United States. European countries such as Switzerland, Italy, Britain and the former Soviet republics import Saudi wheat, chicken and vegetables. Both the United States and the Netherlands are major buyers of Saudi flowers, a rapidly growing export crop.

With an average annual rainfall of only about 100 millimeters a year, the development of water resources has been a key element in such achievements. While agricultural development in the past has used water from

non-renewable fossil aquifers, the emphasis is increasingly placed on the use of water from the country's huge desalination plants and on recycling.

Government subsidies to farmers are also extensive. Specialized development funds that provide soft loans to Saudis, mainly farmers, were allocated 4.6 billion Saudi riyals (\$1.2 billion) in the 1992 budget, according to the Ministry of Finance and National Economy.

While the government regards such spending as an investment in national security, as well as in national development, it is also taking pride in the fact that the progress made during the past decade has been so great that the cost of growing wheat in the kingdom has fallen from about \$1 per kilogram 12 years ago to only about \$0.40 today.

P.A.S.

## FROM ENERGY TO SOCIAL SERVICES

Continued from page 14

generous financial and other incentives to set up new industrial ventures throughout the kingdom. The priority sectors include downstream petrochemicals, plastics and metals; food and agro-industries; machinery and capital goods; medical and pharmaceutical products; mineral processing and mineral products; advanced technology; import substitution; and export-oriented products.

A network of industrial development groups, formed by the private sector (some with government interests), has the specific purpose of arranging international joint ventures, says Mr. Zamil. These include the

National Industrialization Co., Saudi Advanced Industries Co., Saudi Industrial Development Co., Arabian Industrial Development Co. and Saudi Venture Capital Group.

The three offset programs of the United States, Britain and France have spurred some new developments, including the Boeing Industrial Technology Group's four ventures and British Aerospace's dozen projects, which include Glaxo and Savola in two major joint ventures. There are snags in Saudi Arabia as in any other country when a multimillion dollar project is under way. The one surprise this year was the last-minute cancellation of a 50-50 joint venture between Mobil Petrochemicals Saudi

Arabia and Arabian America Chemical Co. to build a 850,000 ton-a-year methyl-tertiary-butyl (MTB) plant. The Saudi Press Agency reported that the deal did not go through because of an investment-policy review.

Nevertheless, the opportunities for lesser-sized projects are there. "We have the natural resources for energy, and we are well placed to provide export markets not only in the region, but also in Africa, the Mediterranean countries and even farther afield to Europe and the Americas," says an official at the Royal Commission for Jubail and Yanbu; the commission is now charged with encouraging inward investment.

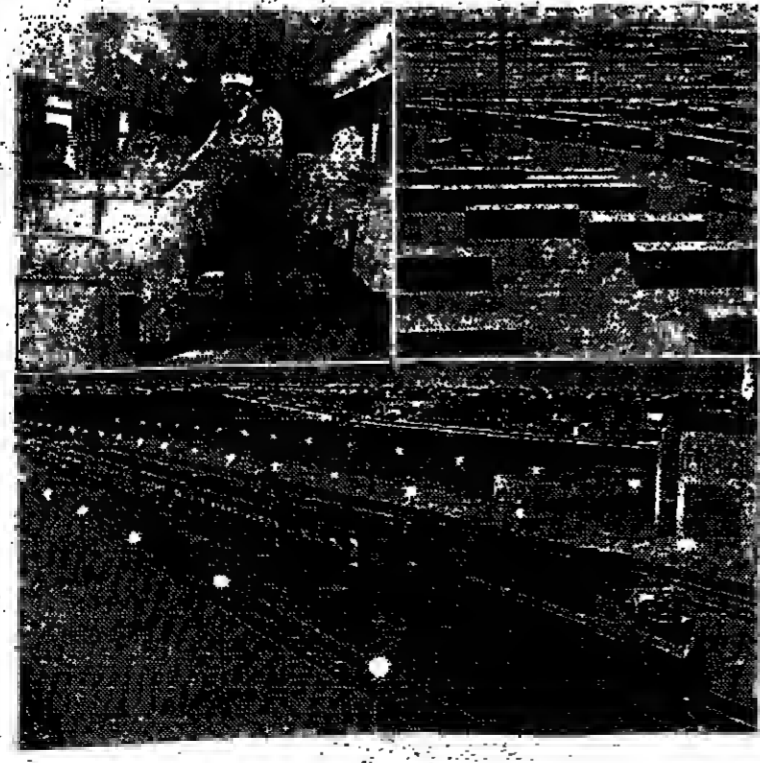
L.V.

### SAUDI ARABIA WITHIN YOUR HANDS

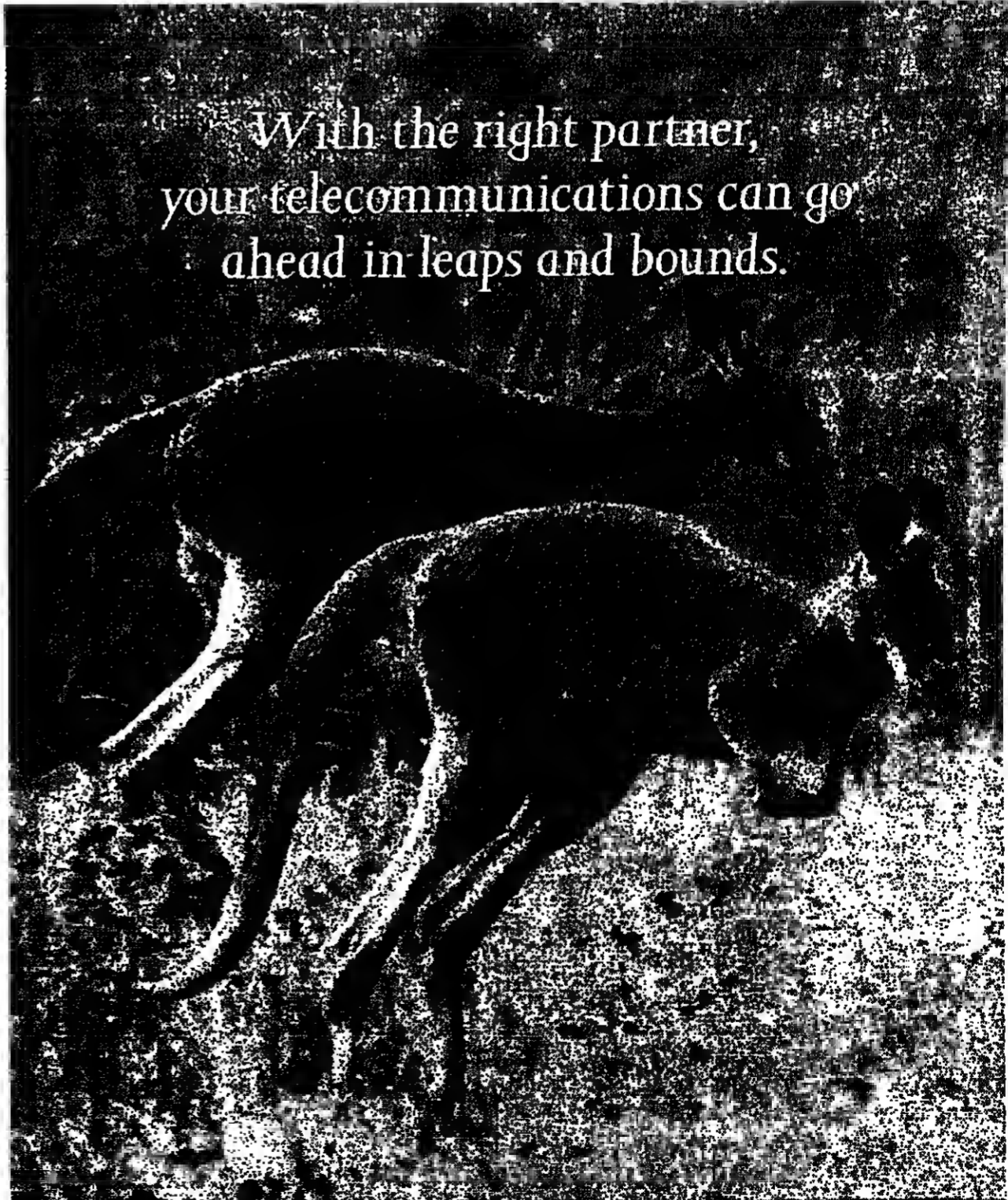


#### SAUDI GENERAL ORGANIZATION RAILWAYS

Day & night special service  
Passengers, cargos, oil & containers  
4 Passenger trains & 8 cargo trains daily



P. O. Box 36- Dammam 31241- Saudi Railways Organization  
Tel. : 8712222 - 8713001- cable : Saudi Rail - Fax : 827-1130



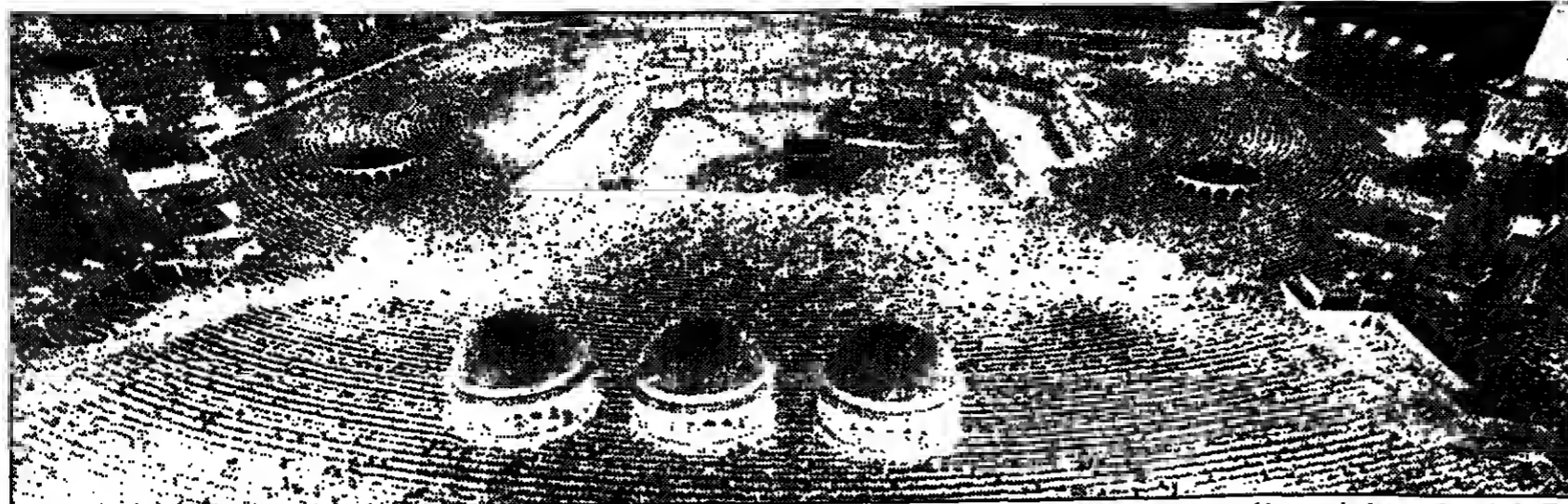
With the right partner,  
your telecommunications can go  
ahead in leaps and bounds.

Telecom Australia (Saudi) Company Ltd is a joint venture of Australia's Telstra Corporation and the Saudi Arabian Nesma Group, providing telecommunications services in the Kingdom of Saudi Arabia. Our success in 1988 and 1991 in winning the internationally prestigious contract to provide specialised expert advisors to Saudi Telecom has enabled us to further build upon Telstra's strengths to offer technically excellent and innovative telecommunications services in the kingdom. We are proud to be supporting Saudi Telecom in the planning and management of its network development initiatives. A call to our Business Development Manager on +966 1465 4200 will connect you with Telstra, your ideal partner.



KT-11172

ADVERTISING SECTION



When the expansion of the Two Holy Mosques at Makkah is completed, they will be able to accommodate up to 1 million worshippers during peak periods. The expansion project in the Grand Mosque has increased the size of the Holy Haram to over 209,000 square feet and doubled the available space for worshippers.

### CONSTRUCTION SECTOR: A GIANT BY ANY MEASURE

While the next few years are expected to see a consolidation of the sector, the amount of spending on construction in Saudi Arabia is still huge by regional standards. The government has allocated about \$7.5 billion for public-sector projects in its current budget, and other state companies and agencies, together with the private sector, are expected to spend another \$5 billion.

One study published in London in November estimates that the total value of engineering, construction and procurement contracts in Saudi Arabia

could reach at least \$70 billion by the end of the decade. A report by the London-based business weekly MEED estimates that defense, power and municipal development contracts could be worth \$10 billion each. Expenditure on oil and gas projects could reach \$7 billion, with another \$5 billion each for water, heavy industries, secondary industries, health-care facilities and transport. An additional \$3 billion may be spent on building universities and institutes of higher education.

About \$3 billion was spent last year by national oil company Saudi Aram-

co alone. In the past, many multinational companies - such as ABB Lummus Crest, Fluor Daniel, Bechtel, Brown and Root, Stone and Webster Engineering, KHD Humboldt Wedag and Dumez - have played a key role in developing major infrastructural and industrial projects in the kingdom.

Today, however, the growing trend is toward joint ventures involving a local company. One of the most senior players, MEED reports, is the Binladden Group, which has been responsible for large state projects such as the expansion of the Great Mosque

of Makkah and the Prophet's Mosque in Medina.

Saudi Oger, owned by Lebanese President Rafiq Hariri, is working on the Al Kharij air base and other defense facilities as well as expanding its operations and maintenance work in the country. Two smaller companies, Almadani General Contractors and the El-Self Engineering Contracting Establishment, have also teamed up with foreign contractors to bid for important projects such as the expansion of King Saud University and the Saudi National Guard's Al-Hasa military city.

### TELECOM GIANTS BID FOR \$1.9 BILLION CONTRACT

Twenty-three years ago, there were less than a dozen international telephone lines connecting Saudi Arabia with the outside world, and there were precious few within the kingdom that could be relied upon to work. Today, the kingdom has 1.6 million lines, and successful bids are about to be announced for a \$1.9 billion contract to install 500,000 new lines over the next five years, with an option for a further 500,000.

In addition to growth in the fixed network, rapid expansion is about to

and a subscriber radio system for rural areas.

Five local commercial banks and the Gulf Investment Bank in Bahrain are offering to finance the successful bid for the fixed-network contract; most of the bidders, however, are reported to have provided their own financing arrangements.

According to reports in the London-based MEED, the Middle East business magazine, this innovative offer by the banks to the Saudi PTT may lead other state and parastatal entities to consider this kind of financing option for major contracts.

Ericsson and NEC are making a joint offer of \$2.7 billion; Northern Telecom, \$1.8 billion; Alcatel, \$2.2 billion; AT&T, \$2.4 billion; and Siemens with GPT, \$2.768 billion.

Telecom Australia (Saudi) has had an advisory team working with Saudi telecom managers to support the nationwide operation of the kingdom's telecommunications system. Telecom Australia (Saudi) is a joint venture between the Saudi-based company NATEL (part of the NESMA group) and Telstra, Australia's leading telecommunications company, which has had a three-year contract with the PTT.

Telstra, which established Australia's Group Special Mobile network earlier this year, is currently bidding for Saudi Arabia's GSM network.

#### Rapid expansion slated in mobile communications

take place on the mobile-communications front using Group Special Mobile technology, which is likely to enable mobile roaming throughout the countries of the Gulf Cooperation Council in the near future. At present, there are 20,000 mobile lines, and the number is likely to be expanded to at least 45,000.

Competition for the fixed network has been intense as this is one of the largest telecommunications contracts in the world.

Alcatel, AT&T, Ericsson, GPT (Britain), NEC, Northern Telecom and Siemens are among the main bidders for the \$1.9 billion contract. It includes fiber-optic multimedia and satellite systems, microwave links

P.A.S.

### A MAJOR PLAYER IN SHIPPING

The National Shipping Company of Saudi Arabia is set to become a world leader in marine transportation, particularly in the field of crude oil and other oil- and gas-related products.

NSCSA and Vela International, Saudi Aramco's shipping subsidiary, are investing more than \$3 billion in new orders for tankers and special-product carriers, which will make Saudi Arabia a new force among merchant-shipping owners.

NSCSA now has a joint-venture company, National Chemical Carriers (NCC), with Saudi Basic Industries Corporation (Sabic), which currently owns 11 special-product carriers and has at least two more on order. NSCSA also

has a 50-percent interest in Arabi-chemical Carriers and a 16-percent interest in Saudi Livestock Carriers.

The company has eight custom-built Ro-ro carriers, with a maximum container capacity of 15,250 tons and a total deadweight tonnage of 297,000 tons. It operates regular liner services to North America and Asia. In addition to the specialized vessels, it has 13 chemical tankers of its own with a total deadweight of 363,973 tons. NSCSA Chief Executive Mohammad S. Al-Jarbou hopes this will be increased to 437,973 deadweight tons by 1995, after the purchase of three more vessels; this will make NSCSA the fifth-largest chemical tanker owner in the world.

L.V.

### 'THE WELL TO THE WHEEL'

Continued from page 14

sources. This analysis is reaffirmed by expected policy changes on the massive oil-industry capital-expansion program (\$37 billion) following the takeover of Samarec, the petroleum marketing agency and refinery operator, by Saudi Aramco, the crude-oil producer.

One surprising fact to emerge this year is the size of the kingdom's population, as revealed by the latest national census. The population, according to preliminary figures, is just over 16 million, far higher than expected by most observers. If this is to be taken at face value, it is likely to mean increased expenditure on welfare and education as the kingdom seeks to improve its skill base and continue its "Saudiization" program, which involves increased use of local labor. This is likely to increase the

budget deficit rather than reduce it. The emphasis today, however, is on continued integration of the oil industry on a global scale (the "from-the-well-to-the-wheel" philosophy). The emphasis is also on increasing the added value of oil-related feedstock in the petrochemical industry. Analysts say that this should help boost export earnings and improve the overall balance-of-payments position as the economy gears up to face the next millennium.

There has been some encouragement from the latest International Financial Statistics published by the IMF. The figures show a 20-percent drop in the 1992 current-account deficit, which totaled \$20 billion, compared with a revised figure of \$27 billion for 1991. The IFS also showed that foreign reserves, excluding gold, rose 11 percent from June to July, to \$7.6 billion.

L.V.

### \$9 BILLION INVESTED IN LEARNING

Education has long been a top priority in the kingdom. In the past few years, the vast sums invested by the Saudi authorities in education during the oil-boom years of the 1970s and early 1980s have begun to prove their worth.

Although nationwide figures are not available, studies conducted in Riyadh, the capital, show the impact of the kingdom's extensive investment on overall attainment levels. The number of people with university degrees doubled between 1986 and 1991. The number completing secondary education almost doubled, and there was a doubling in the number of persons completing their intermediate education between the primary and secondary levels.

At the same time, illiteracy is being steadily eliminated. As recently as 1986, 20 percent of the population of Riyadh was recorded as being illiterate. Five years later, however, the proportion was down to 16 percent. The trend is clear: In practical terms, illiteracy will be a thing of the past by the end of the century.

Even at a time of financial stringency, the government is continuing to invest heavily in education. In 1993, it has devoted \$4.1 billion Saudi riyals (\$9.1 billion), or 17.3 percent of its 1993-94 Saudi-riyal budget, to education, with specific allocations for the construction of up to 800 new schools and the expansion of existing educational facilities.

J.R.

AL-HAYA MEDICAL CO

25 YEARS

SILVER JUBILEE

Sole distributors of:

**SmithKline Beecham Pharmaceuticals**

**JANSSEN PHARMACEUTICA**

**SOLVAY DUPHAR BV. PHARMACEUTICAL DIVISION**

**Smith+Nephew Pharmaceuticals Ltd**

**FARMITALIA CARLO ERBA**

**DU PONT PHARMA**

**Pharmaceutical Sector**

**OM Laboratories**

WITH CONTINUOUS PROGRESS TO ACHIEVE THE BEST DISTRIBUTION AND MANUFACTURING CAPABILITY IN PHARMACEUTICALS AND MEDICAL SUPPLIES

**Viggo-Spectramed**

**Mallinckrodt**

**CLINIPAD THE CLINIPAD CORPORATION**

**ASIK APS**

**QUALTEX INC.**

**White Knight**

**STAT**

**angelica** NURSING, SURGICAL AND PATIENT APPAREL

**DeBusk**

**dieterba**

**E. SALLIS LTD.**

**Hosposable** PRODUCTS INCORPORATED

**Norgine Limited**

**FUMAKILLA LIMITED** Medical Restraints Inc

**STIEFEL**

**Beatson Clark plc**

**Fresenius**

**Antigen Overseas Ltd**

**Perry**

**OCTA PHARMA**

Head Office P.O. Box 442 Riyadh 11411 Tel: 4414056/4414047 Fax: 4415368 Tlx: 401449 HAYA SJ Cable: HAYA	Riyadh Branch P.O. Box 442 Riyadh 11411 Tel: 4655075 Fax: 4652354	Jeddah Branch P.O. Box 4016 Jeddah Tel: 6717196 /6713011 Fax: 6718218	Alkhobar Branch P.O. Box 483 Alkhobar Tel: 8952894 Fax: 8952897	Abha Branch P.O. Box 1310 Abha Tel: 2249785 Fax: 2240405
---	---	--	---	--

**SAUDI CATERING & CONTRACTING GROUP**  
PIONEERS IN SAUDI ARABIA  
27 YEARS OF SERVICE TO INDUSTRY

- Catering & full life support services
- Industrial cleaning & custodial services
- Camp operation & maintenance
- Trading (wholesale & retail)
- Food processing (bakery, dairy & meat processing)
- Complete operation & management of hospitals
- Pastry & confectionary makers - under franchise from the world renowned French patissier, LENOTRE

**KIMMA CONSTRUCTION**

- Construction management & consultation, general contracting (including speciality trades), furniture, fixtures and equipment procurement and installation

**SAUDI INTERNATIONAL TRANSPORT COMPANY**

- Specialists in transportation of pipes & general cargo throughout the Kingdom of Saudi Arabia and GCC countries, warehousing facilities, container services, cargo handling

**ELECTRO MECHANICAL CONSTRUCTION - "EMC"**

- Supply & installation of stations, substations, H.V. lines, underground cables, external & internal lighting, refrigeration & air-conditioning, fire alarm, pumping stations and water distribution

**MAIN OFFICES**

<b>RIYADH</b> P.O. Box 308 Tel: 477-3713 Fax: 478-0267 Tlx: 401-126 CASERV SJ	<b>AL-KHOBAR</b> P.O. Box 258 Tel: 895-1200 Fax: 894-3061 Tlx: 870-038 CASERV SJ	<b>JEDDAH</b> P.O. Box 2266 Tel: 660-3660 Fax: 665-0288 Tlx: 601-820 CASERV SJ
--	---	---

With offices in: Jubail, Yanbu, Khamis Mushait, Onaiza, Qassim, Taif, Hafr Al-Batun, Tabuk and many remote areas of the Kingdom

**MANAGEMENT CONSULTANT**  
Abela General Services BV  
192, Avenue Charles de Gaulle  
9220 Neuilly-sur-Seine  
France  
Tel: 0033-1-4643 1515  
Fax: 0033-1-4643 0969

**alshifa**  
Medical Syringes Mfg. Co. Ltd.

**MEDICAL DISPOSABLE SYRINGES  
GAMMA STERILIZATION SERVICES  
MEDICAL DISPOSABLE SUPPLIES**

**FAX**

**966-3-8574033**

P.O. Box 7917  
Dammam 31472  
Saudi Arabia  
Tel: 8573617 / 8573613 / 8574284  
TLX: 802826 RAMY SJ

**BETTER HEALTH  
CARE IS OUR GOAL**

550 من الأصيل

## FROM FRENCH PASTRIES TO FIRE PREVENTION

One of the kingdom's top 50 companies and a provider of "life-support" services is Saudi Catering and Contracting. Employing more than 7,000 multinational staff, SCC provides everything from the latest French pastries to laundry and fire-prevention services.

SCC began as a small business in 1986. It now has offices in every major city and town in the kingdom. At first, SCC concentrated mainly on catering, which led to more diversified activities, including food processing. SCC's activities now include housekeeping, laundry, providing recreational facilities, security, maintenance and fire prevention.

Other fields developed by SCC involve the management and operation of hospitals, general trading, wholesaling and retailing. As a major

procurer of a wide range of commodities, SCC extended its operations to include more retail networks and supermarkets. With the development of major industrial complexes in the kingdom, SCC took advantage of new business potential and economies of scale to provide regular and quality supplies of foodstuffs.

SCC has its own fleet of cars, buses and trucks to service its operations. These transport personnel and goods to support SCC's work sites and to supply local markets through Saudi International Transport, an affiliated operation. SIT transports all kinds of goods and materials throughout the kingdom. KIMMA Construction, a sister company of SCC, provides construction management and general contracting services. Another associated company, the National Furniture



SCC's camp kitchens provide "life-support" services to construction workers.

Co., provides furniture and fittings on a turnkey basis for many companies. A recent SCC enterprise has been the opening of new retail outlets for the

House of Lenôtre. This franchise operation sells French pastries, confectionery and chocolate.

L.V.

## PRIVATE SECTOR FUELS INDUSTRIAL GROWTH

The Saudi private sector is seen as a major motor for overall economic growth in Saudi Arabia in the years ahead. In 1992, when the overall economic growth rate was 5 percent, private-sector output expanded by 6 percent. The trend may well be even more marked in 1993.

At the start of this year, King Fahd signaled the need to expand private-sector investment when he called on

### Private sector produces 50% of industrial activity

citizens "to invest in the field of productive projects" and to do so "within the framework of support being provided by the state."

The private sector, however, has for some years been held back as a result of limited access to commercial bank funding.

There are signs that this is beginning to change. Loans to industry in 1992 totaled 7.294 billion Saudi riyals (\$1.95 billion), although this only accounted for 6.7 percent of total commercial bank lending of 107.942 billion Saudi riyals. According to one recent survey, only 5 percent of small companies have actually managed to secure finance from a combination of government and commercial bank sources.

This has prompted a recent suggestion by a prominent Jeddah economist, in line with King Fahd's own thinking, that the government should expand the role of the Saudi Credit Bank to enable it not only to lend more money than at present, but also to provide loan guarantees for small businesses; this would then enable these companies to raise funds more

easily from the commercial banks. At present, only 23 percent of all applications from small industrialists for commercial bank loans have received positive responses.

A 1990 Survey by the Saudi Consulting House found that the private sector was responsible for half the kingdom's industrial activity. A total of 1,569 private-sector industrial companies produced a total output of 32.836 billion Saudi riyals. By comparison, the equivalent output of the 24 state or parastatal industrial enterprises run by SABIC and Petromin was 32.878 billion Saudi riyals. The private sector companies, however, were responsible for employing no less than 87.7 percent of all industrial workers.

In contrast to the giant state concerns, the private enterprises are still characterized by their extensive use of foreign labor.

The private sector is also increasingly involved in some major industrial projects. One of the biggest of these is the Al-Saifein Tyre Company, a joint venture between the local Azmi Group and the U.S. Avon Tyre Company. The project, which will produce car and truck tires for both the local and Gulf markets, is currently priced at around \$170 million, and the intention is to open the new factory in 1995.

At the same time, a new \$200 million sugar-refinery project being undertaken by the Savola Group and Britain's Booker Tate is aimed not only at supplying the Saudi market with around 400,000 tons per year but also at exporting a further 100,000 tons per year to other Gulf countries.

J.R.

## A NEW BATTLEGROUND FOR AIRCRAFT SALES

Saudia, the Saudi flag carrier, is now the focus of one of the most intense battles for new aircraft sales that has ever been seen. It is also an enterprise that could prove a testing ground for privatization.

Fleet replacement, postponed during the lean years of the late 1980s and the Gulf War, is now firmly back on the agenda. Saudi Arabia has become a battleground for Boeing, the European Airbus Industrie and McDonnell Douglas. Estimates of the value of contracts available range as high as \$8 billion as the rival aircraft makers chase what is generally considered to be the biggest civilian order in the world.

Although no decision is expected

until the spring of 1994, speculation was heightened in July when French Foreign Affairs Minister Alain Juppé was said by French officials to have secured a Saudi order for 44 Airbus Industrie aircraft. Since then, U.S. President Clinton has spoken to King Fahd to urge the purchase of U.S. planes. The two U.S. aircraft makers have both secured preliminary commitments for massive export credits from the U.S. Export-Import Bank: Boeing, for up to \$6.5 billion; and McDonnell Douglas, for up to \$4.8 billion.

About half of the working fleet of 70 aircraft used for commercial purposes (there are 30 others used for training) will be progressively replaced over the next four or five

years. Saudia is seeking replacements for the 20 Boeing 737s and the 18 Lockheed Tristars used on domestic and regional flights. The airline also owns and operates 22 Boeing 747s (one of which is just for cargo) and 11 European Airbus-300 aircraft. Some of the shorter-haul Boeings will likely be replaced in the next few years by new long-haul Boeing 747-400s.

The sheer size of Saudi Arabia means that Saudia runs two very different operations: a competitive international route system, and an extensive and low-priced internal network. The airline has fully recovered from the problems caused by the Gulf War, when it incurred considerable losses as a result of high insurance costs

imposed on international traffic between the kingdom and foreign destinations. Long-haul traffic has grown steadily; last year, the airline carried more than 3.6 million people on its international routes. Since 1992, Saudia has been upgrading the quality of its international flights through the provision of satellite telephones.

On its domestic network, the airline operates around 400 flights a week between the major cities of Riyadh, Jeddah and Dhahran; the latter is the site of the new King Fahd International Airport, which is expected to open in early 1994. In 1992, Saudia carried around 8 million people on its domestic services.

J.R.

## BUSINESS BRIEFS: MILKING COWS, SCRAP METAL, LUXURY HOTELS, MEDICAL SUPPLIES AND COSMETIC AIDS

• One of the most recent additions to the hotel scene in Jeddah has been the opening of the Inter-Continental. This has set a new standard of elegance and service for business visitors. The hotel has a special executive floor with separate check-in and other facilities, including a special lounge for breakfast and refreshments.

• One of the oldest medical companies in the kingdom is Tamer, which opened the first pharmacy in 1922. Today, it is among the 100 biggest companies in the kingdom and a nationwide distributor of pharmaceutical products. Still a family enterprise, it has more than 500 staff working in its three main divisions. The Pharmaceutical Division is the

major importer and distributor of products in Saudi Arabia. The company has 250 pharmacists who visit every doctor, pharmacy, hospital and clinic in the kingdom to promote Tamer's exclusive products. The Medical Division imports and markets the latest medical technology and equipment. The third division imports and markets toiletries, beauty-care products, stationery and food.

• Helping to bridge the technological gap has been one of the main objectives of the Mohammed Assad Aldrees & Sons Co., which began as mobile village traders in 1938. Today, it is a major diversified company whose activities include glass-making; providing scrap metal for Hadeed, Saudi

Arabia's iron and steel smelter; supplying building materials; and distributing motor vehicles for Ford, Mazda, KIA and M.A.N. It also has one of the largest transport fleets in the kingdom, with 450 Volvo and Mercedes tractor vehicles. This fleet operates within the kingdom and in neighboring countries. The company also has an active irrigation and agricultural division, which manages farms, sells and leases equipment, and provides and inspects seeds and fertilizers.

• Alshifa is one of a growing number of specialized importers and manufacturers at the leading edge of medical-equipment technology. With 65 employees, it supplies millions of syringes throughout the kingdom. In

addition to its existing plants, it is considering setting up a joint venture with a British company to make syringes. According to its president, Salim M. Abuljawad, it hopes to export products to Yemen, Morocco, Mauritania and Kenya. "We use German technology, and I think that we can guarantee having some of the best-quality products to be found anywhere," says Mr. Abuljawad. "No one can match us for quality." He also has a specialized company manufacturing lifting gear, Slemco. "We used to have joint ventures with two British companies, but we have bought them out," he says. "We learn the know-how from them, but joint-venture management costs are too high."

• Electronics, petrochemicals and dairy farming are some of the diversified interests carried out by the Jeddah-based Al Faisalia Group. Its subsidiary, Modern Electronics, is the sole distributor of Sony products in the kingdom; it had five employees and a turnover of \$300,000 when it opened for business in 1970. Today, the company has 400 employees and sales of \$250 million. Its petrochemicals and dairy-farming divisions have been equally successful. Al Safi is one of the world's largest integrated dairy companies, with a herd of 20,000 animals; this includes 11,000 milking cows, which produce 75 million liters of milk annually.

L.V.

**OUR ROAD TO SUCCESS WAS BUILT BY ANTICIPATING AND MEETING THE NEEDS OF A GROWING KINGDOM**

For over half a century of trading, services and manufacturing **MOHAMMED ASSAD ALDREES & SONS COMPANY** is still continuing its expansion progress into the 21st century.

**ALDREES**

**TRANSPORT DIVISION**  
Inland transport fleet caters to products such as agriculture, fluids, petroleum, loose cargo, chemical bulks (dry & liquid) and other bulks such as grains, barley, cement, plastics as well as other goods. Serving the kingdom and all the surrounding countries.

**SERVICE STATION DIVISION**  
A chain of gas stations and car wash throughout the kingdom.

**TOOLS & EQUIPMENT DIVISION**  
Has outlets in all the major cities in Saudi Arabia for sale and distribution of tools and equipment and gasoline pumps. Equips cars and heavy equipment repair facilities. Also equips and installs gas stations with fuel pumps, car wash and lube facilities. Services by a trained team to repair and maintain all equipment sold by the division.

**AUTOMOBILE DIVISION**  
Subsidiary in Saudi Arabia for Mazda, Ford, Mercury, Acura, VW, and other major vehicles and spare parts. Supported by a well-qualified workshop to carry out all the repairs and maintenance.

**CRUSHER DIVISION**  
Producer of crushed gravel.

**SAUDI AMERICAN GLASS FACTORY**  
Manufactures a range of glass such as tempered, double glazed units, laminated and laminating glass doors, bullet proof glass, untempered glass partitions (safety glass), decorative edge glass and mirrors. As well as having an advanced coating line where glass is coated by spraying medical product called KALITE.

**ALDREES INTERNATIONAL CONSTRUCTION SUPPLY**  
Major supplier and wholesaler of construction materials.

**IRRIGATION & AGRICULTURE DIVISION**  
Farm machinery, equipment leasing, sale of concrete pipe for irrigation as well as spare parts. Also having their own farm (12 Sq. Km.) where they grow forage and other crops.

**SCRAP DIVISION**  
Trades, supplies and processes ferrous and non-ferrous materials.

**MOHAMMED ASSAD ALDREES & SONS COMPANY**  
is proud to be a contributor to the development of Saudi Arabia.

**Mohammed Assad Aldrees & Sons Co.**  
P.O. Box 609, Riyadh 11421. Kingdom of Saudi Arabia.  
Tel. Fax: 966-1-476-3875. Telex: 405833 IDREES SJ

**After a great track record, we're now driving ahead.**

**Construction** **Electricity**

**Agriculture** **Mining**

**Material Handling** **Transport**

**Industry**

Zahid Tractor driven by its customer needs, is a company on the move, striving for excellence in quality, for the markets it supports.

With a proven past we are now investing in the future, for the challenges that lie ahead.

**ZAHID TRACTOR** © Heavy Machinery Co. Ltd. P.O. Box 8628, Jeddah, Kingdom of Saudi Arabia. Tel: 6671 168 - Fax: 665272

شركة آل دريس

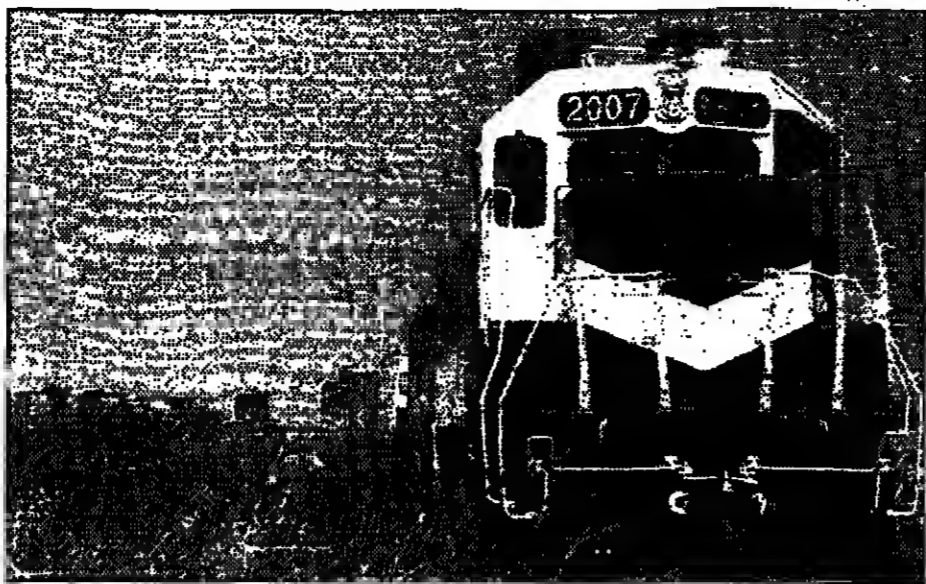
## TRAVELING BY RAIL EASIER THAN EVER

Many visitors are surprised to discover that Saudi Arabia has a flourishing railway system, which is being upgraded and extended. This year marks the 40th anniversary of the opening of the rail link between the capital and the Eastern Province. Previously, there had been a short railway connecting Dammam Port with Dhahran; the link was built and run by Arabian Oil Co. (Aramco) to serve the growing needs of the expanding oil industry.

Four trains a day now make the 280-mile (450-kilometer) journey between Riyadh and Dammam in four hours; the trains carry an average total passenger load of more than 1,500 persons. The air-conditioned cars offer radio, television and video services and have a special prayer area for travelers.

The trains are run by the Saudi Railways Organization, which was established in 1958. SRO has introduced new locomotives and cars as well as a new line with double tracks, enabling the journey between the two cities to be cut from seven hours to four. New stations have also been built in Riyadh, Dammam and Hofuf.

Faysal M. Al-Shehail, president of SRO, is an enthusiastic railway buff who has been with SRO for 17 years. He does not believe the present service can compete with air and road transportation. "Each has its own advantage," he says. Taking into account the time needed to arrive, check in and check out of the airports, however, the difference between air and rail in terms of overall traveling time is slight, as both Dammam and Riyadh stations are in the city centers.



Saudi Railways' freight trains played a vital role during the Gulf crisis.

Transporting freight is an essential part of the operation, and SRO is proud of its two "dry" ports for container traffic at Riyadh and Dammam; the latter port is operated by Dammam Ports Authority.

Up to eight freight trains run daily; they played a key role during the Gulf crisis, conveying vital equipment

and spare parts to the capital.

Mr. Al-Shehail plans to purchase two new train sets to upgrade passenger services. New cars are being provided by Germany and France, and the locomotives are supplied by General Motors. Expansion plans include a 78-mile north extension from Dammam

to the industrial city of Jubail and a coastal extension through Qatif. This is likely to cost \$1 billion.

Mr. Al-Shehail's biggest daily problem is clearing sand off the track. "We have 600 laborers constantly trying to keep the track clean so that we can keep our trains running on time." L.V.

## MEDICAL CARE AND FACILITIES: INVESTING IN HEALTHY LIVING

Saudi Arabia's health care and medical facilities now rank among the most developed in the world, thanks to the huge investments made in this field by the government during the past decade. Smaller clinics and mobile units also serve the more remote areas and have played a key role in providing Saudis with a longer and healthier life span.

By the end of 1991, the Ministry of Health had established more than 166 hospitals with a capacity of 26,866 beds. The number of primary health-care cen-

ters reached just under 1,700. Staffing has also been greatly improved, with many Saudis now benefiting from both local training and medical education, as well as government grants to study more advanced specialties abroad. By the end of 1991, the number of staff in government hospitals reached 62,264, up 8.5 percent from 1990.

Private care has also been expanding rapidly. By the end of 1991, there were 66 private hospitals in the country, with a total of just under 6,700 beds. Another 410 private dispensaries operate in the kingdom.

The King Fahd Medical City in Riyadh is a particular source of pride. Nearing completion, it includes five hospitals of various specializations with a capacity of almost 1,500 beds, as well as outpatient clinics, making it the largest complex of its kind in the region. Pediatric and psychiatric services, as well as general medicine, are being emphasized, and the complex also includes housing for some 3,000 employees. It will supplement the services already provided by another advanced facility in the capital, the King Faisal Specialist Hospital.

In Yanbu, the King Fahd Major Medical Center has been set up by the Royal Commission for Jubail and Yanbu to cater to the needs of this rapidly growing industrial city. Operated by the Zamil al-Mana Consortium, it includes 342 beds and specialized services in obstetrics and gynecology, dermatology, urology, pediatrics, internal medicine, orthopedics, ophthalmology, cardiology and dentistry as well as surgery. The complex includes a mosque, cafeteria, administration buildings, central services building and an occupational health clinic.

In the Eastern Province, the Al Mana Hospital has branches in Dammam and Al-Khobar. Several private hospitals with 250 beds or more also operate in the area, including Al Mowassat Hospital in Dammam, Al Salama Hospital in Al-Khobar and the Mohammed Dossary Hospital in Dhahran. Some cater especially to expatriate executives and their families, with staff trained in the United States and Britain. Together with the government's commitment to providing Saudis with the most up-to-date medical services available, these private facilities are helping to extend health care to all those working in the kingdom as well. P.A.S.

**King Fahd Medical City is the region's largest**

## LEISURE: FAST FOOD, MALLS AND RED SEA RESORTS

Change is coming to Saudi Arabia as the government turns its eye to the development of internal tourism, and the private sector shifts its attention to the growing market for leisure services. Pizza Hut is coming to the industrial city of Yanbu, for example, and three major Western hotel chains are competing to run a prestige hotel in the heart of the holy city of Makkah (Mecca).

The market for leisure services is considerable.

### Government is keen to develop tourism

Various recent estimates put the value of the local fast-food market, for example, at 2 billion Saudi riyals (\$540 million) and the value of the market for car leasing, rentals and limousines at more than 450 million Saudi riyals a year.

According to the local Samara Travel and Services Company, the Saudi travel market is worth around 6 billion to 7 billion Saudi riyals a year.

These markets all look set to grow significantly. A lack of fast-food emporia in Yanbu should be rectified in late 1994 or early 1995 as new franchises for Wendy's, Popeye's and Pizza Hut open. The Alireza Group already operates a number of McDonald's restaurants in the area and on the Gulf coast.

The Saudi authorities are keen to develop domestic tourism. Deputy Commerce Minister Abdul Rahman al-Zamil believes the Highlands of the Asir are particularly suitable for this, and he wants the country's airline, Saudia, to increase direct flights to the Asir from outlying regions of the kingdom and from neighboring countries such

as Kuwait and the United Arab Emirates. Some 600,000 Saudis are expected to visit the Asir annually by 1995.

The Royal Commission for Jubail and Yanbu wants to see Yanbu develop as a weekend holiday resort.

Farther south along the Red Sea coast, the Saudi Hotels and Resort Areas Company (Sharco) is developing land for a new resort village near Jeddah. Also in Jeddah, the Al-Bilad Movenpick recently opened a new beach club.

On the country's Gulf Coast, at Al Khobar, the Saudi Amusement Centers Company is building 94 holiday chalets at Half Moon Bay, the Eastern Province's most popular resort. The complex, which will include swimming pools and a gymnasium, is due to open next year. The same company is planning indoor amusement complexes in Dammam, al

Khobar and Hatif. South of al Khobar, the Saad Trading and Contracting Company is planning a housing and marina complex with a private beach, restaurants and shops in a single development.

Within the cities, shopping malls are proliferating. The Saudi Real Estate Company is currently building a new mall in Olaya to house 135 shops.

In the hotel sector, the new 175-room Khamis Mishait International opened on Jan. 1, complete with a 1,500-seat conference hall. On the west coast, the Jeddah Marriott is considering plans for a major expansion that would increase its rooms from 210 to between 360 and 380.

The biggest of the new hotel projects is to be found in Makkah, where a new 650-room luxury hotel is planned for a site close to the Holy Haram, the sacred ground at the heart of the

city. The hotel itself is being developed by the local Makkah Company for Reconstruction and Development, but at least three major international chains—Hilton International, Four Seasons and Hyatt Regency—are contending for the management contract.

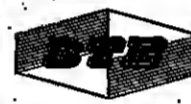
Several major hotel chains say that because Saudi Arabia is a leading market for upscale business visitors, they are naturally looking for opportunities to expand. Meridien, whose Al-Khobar Meridien has often been voted the best hotel in the Eastern Province, is rumored to have one specific project in mind—but all that it would say officially is that "if we have, it is not signed and confirmed."

Hyatt, whose Jeddah hotel has just won an award as the capital's best hotel, says that it, too, is always looking for projects. Despite its interest in the Makkah scheme, however, Hyatt says there are no immediate new contracts on the horizon. J.R.

## Tap into a Growing Company in a Growing Market

For 27 years, Bassam Trading Est., has been a leader in the healthcare field in Saudi Arabia. Now a major trading company with a wide range of interests in the Gulf area, we are still forming new alliances to further expand our business. If your company is looking for growth opportunities and has expertise or products in the following areas, please give us a call:

- High-tech communications
- Security systems
- Designer fashions, accessories and leather goods
- Hospital management, operation and maintenance
- Medical supplies, equipment and furniture
- Pharmaceuticals
- Manufacturing of medical disposables



**Bassam Trading Est.**  
P.O. Box 4611,  
Riyadh 11412  
Kingdom of Saudi Arabia

Tel: (966-1) 463-3059 Fax: (966-1) 464-4014

## Saudia reaches out to the whole world.



The Kingdom of Saudi Arabia today is the focus of commercial activity in the entire region. But if you think that Saudia, Saudi Arabian Airlines—the biggest airline in the Middle East—flies only to the region, think again. We serve the world's major business centres, like New York, Frankfurt, London, Paris, Washington, Rome and Geneva.

We also go to other major Islamic capitals like Cairo, Damascus, Islamabad, Kuala Lumpur and Jakarta.

And, if you're coming to Saudi Arabia, we can fly you to 25 main towns and cities—without having to change terminals.

Ahlan Wasahlan. Welcome aboard.



King Abdul Aziz International Airport, Riyadh  
We fly to exotic places, like Istanbul, Delhi, Casablanca, Manila and Singapore.



**saudia**  
SAUDI ARABIAN AIRLINES  
Proud to serve You

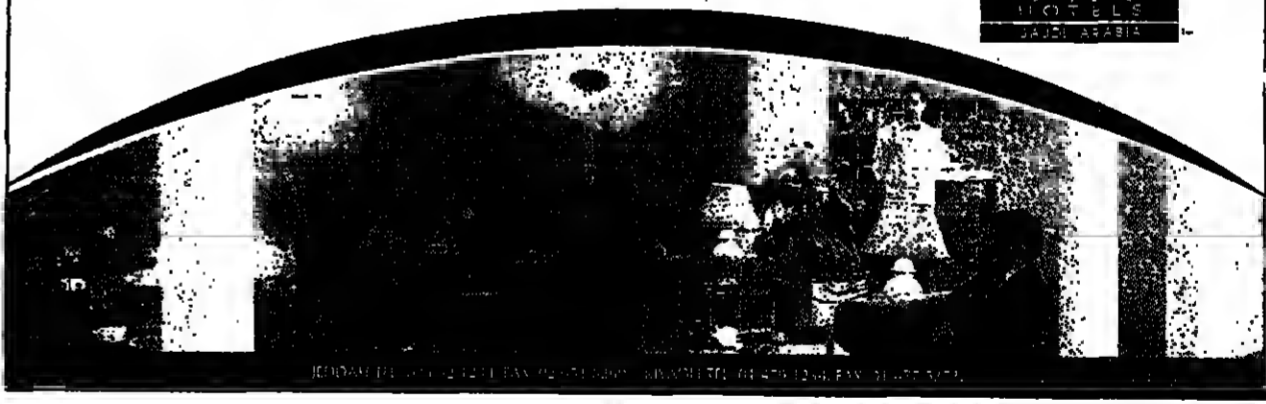
Feel the Hyatt Regency Riyadh and Jeddah.

Is it the butter in the Regency Lounge that conveys this sense of serenity?

Is it the business center and the satellite tv that lets you always feel in touch?

Or is it simply the convenient location and the international restaurants that lend quality to every moment?

Feel the Hyatt touch.



**JEDDAH INTER-CONTINENTAL HOTEL**



358 Sumptuous Rooms and Suites all with Balcony and View of the Red Sea. 26 fully furnished apartments. Club Inter-Continental Floor - 72 rooms with individual VCR, Fax and Private Lounge. A "state of the art" Health Club. 4 gourmet Restaurants. Fish Market / Italian / Lebanese and International.

P.O. Box 41955 Jeddah 21531 Tel: 66 11 800 Fax: 66 11 145



**SLEMCO**

Saudi Lifting Equipment Manufacturing Co. Ltd.  
WE MANUFACTURE, SUPPLY, TEST AND MAINTAIN:

ALL TYPES OF WIRE ROPE SLINGS CHAIN SLINGS WEBBING SLINGS LIFTING GEAR.

TEL: 857-3260

857-3268

FAX: 857-1497

P.O. Box 3669-Dammam 31481 SAUDI ARABIA

Handwritten Arabic text: "سوديا السعودية"

NYSE

Monday's Closing Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere. Via The Associated Press (Continued)

Table of NYSE stock market data including columns for High, Low, Open, Close, and Volume for various stocks.

INTERNATIONAL FUNDS

Dec. 6, 1993

Large table of international fund data with columns for fund name, share price, and other metrics. Includes sub-sections like 'Other Funds' and 'Advertisement'.

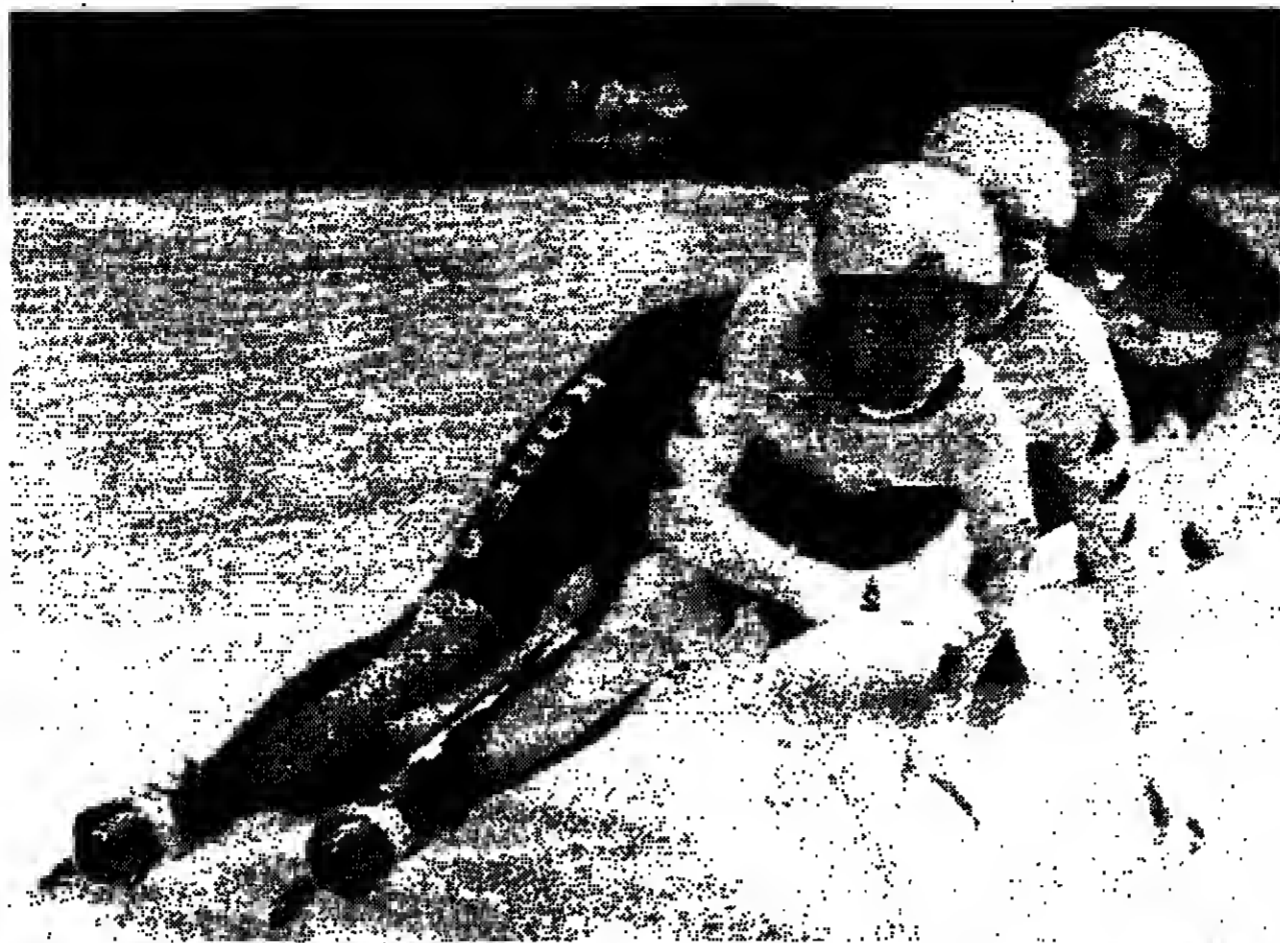
TO OUR READERS IN BERLIN You can now receive the IHT hand delivered to your home or office every morning on the day of publication. Just call us toll free at 0130 84 85 85

For information on how to list your fund, fax Simon OSBORN at (33-1) 46 37 21 33.

SPORTS

For the Games, A Fast Track

Compiled by Our Staff From Dispatches
HAMAR, Norway — Gunda Niemann of Germany broke the world record for the women's 5,000-meter speedskating event Monday when she was clocked in a time of 7 minutes, 13.29 seconds.



Chun Lee Kyung of South Korea sped to a world record in the 1,000-meter final of the Asia Cup competition in Asahikawa, Japan.

compliance. Tennis and soccer don't have out-of-competition testing, while cycling agreed only last week to toughen its doping rules. The federations also differ on the length of drug suspensions.

This is a very interesting approach and has to be discussed, de Merode said. It will decrease the amount of money the athletes can earn, but it will let them continue to practice their profession and to possibly come back.

Rockets Catch Cavs In Closing Seconds

The Associated Press
Maybe this is why the Houston Rockets opened the season by winning 15 straight.
Playing the Cleveland Cavaliers on the road, the Rockets were beaten on the boards and were behind practically the whole way Sunday night.

Whitbread Contestants Run Into Heavy Seas

Agency France-Press
SYDNEY — The leading yachts in the Whitbread Round the World Race were within three days of Fremantle, Australia, on Monday, but other boats were tackling problems in appalling weather.

SCOREBOARD

FOOTBALL

NFL Standings table with columns for Team, W, L, T, Pts, and various performance metrics.

AMERICAN CONFERENCE table with columns for Team, W, L, T, Pts, and various performance metrics.

NATIONAL CONFERENCE table with columns for Team, W, L, T, Pts, and various performance metrics.

SCOREBOARD

FOOTBALL

NFL Standings table with columns for Team, W, L, T, Pts, and various performance metrics.

AMERICAN CONFERENCE table with columns for Team, W, L, T, Pts, and various performance metrics.

NATIONAL CONFERENCE table with columns for Team, W, L, T, Pts, and various performance metrics.

SCOREBOARD

FOOTBALL

NFL Standings table with columns for Team, W, L, T, Pts, and various performance metrics.

AMERICAN CONFERENCE table with columns for Team, W, L, T, Pts, and various performance metrics.

NATIONAL CONFERENCE table with columns for Team, W, L, T, Pts, and various performance metrics.

SOCCER

SOCCER table with columns for Team, W, L, T, Pts, and various performance metrics.

AMERICAN HOCKEY LEAGUE

AMERICAN HOCKEY LEAGUE table with columns for Team, W, L, T, Pts, and various performance metrics.

INTERNATIONAL HOCKEY

INTERNATIONAL HOCKEY table with columns for Team, W, L, T, Pts, and various performance metrics.

SOCCER

SOCCER table with columns for Team, W, L, T, Pts, and various performance metrics.

AMERICAN HOCKEY LEAGUE

AMERICAN HOCKEY LEAGUE table with columns for Team, W, L, T, Pts, and various performance metrics.

INTERNATIONAL HOCKEY

INTERNATIONAL HOCKEY table with columns for Team, W, L, T, Pts, and various performance metrics.

SOCCER

SOCCER table with columns for Team, W, L, T, Pts, and various performance metrics.

AMERICAN HOCKEY LEAGUE

AMERICAN HOCKEY LEAGUE table with columns for Team, W, L, T, Pts, and various performance metrics.

INTERNATIONAL HOCKEY

INTERNATIONAL HOCKEY table with columns for Team, W, L, T, Pts, and various performance metrics.

SOCCER

SOCCER table with columns for Team, W, L, T, Pts, and various performance metrics.

AMERICAN HOCKEY LEAGUE

AMERICAN HOCKEY LEAGUE table with columns for Team, W, L, T, Pts, and various performance metrics.

INTERNATIONAL HOCKEY

INTERNATIONAL HOCKEY table with columns for Team, W, L, T, Pts, and various performance metrics.

TO OUR READERS IN BERLIN

You can now receive the IHT home or office every morning on the day of publication. Just call us toll free at 0130 84 85 85

Arabic text at the bottom left corner.

TO OUR READERS IN BERLIN

You can now receive the IHT home or office every morning on the day of publication. Just call us toll free at 0130 84 85 85

Arabic text at the bottom middle.

TO OUR READERS IN BERLIN

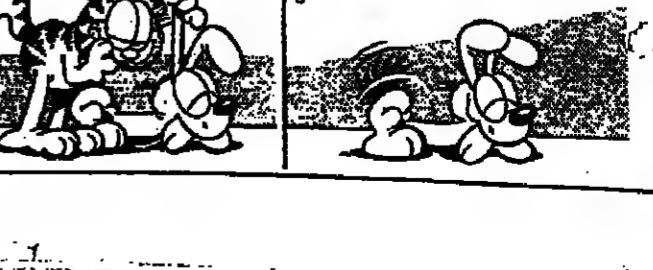
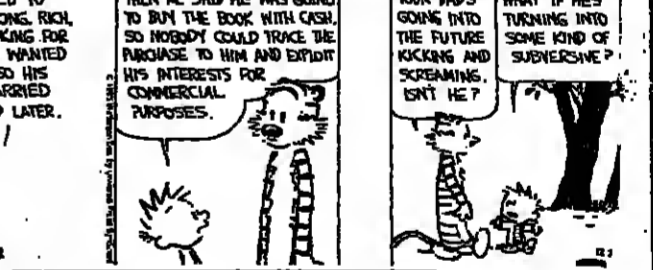
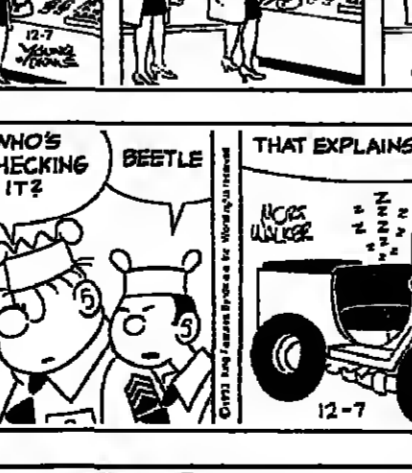
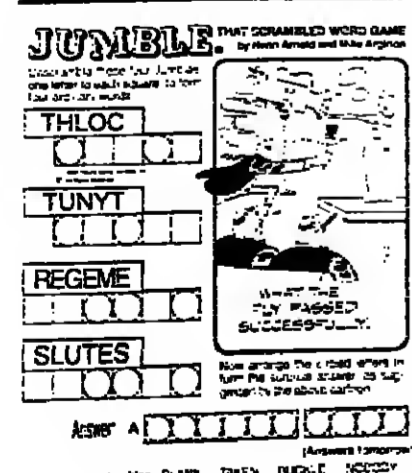
You can now receive the IHT home or office every morning on the day of publication. Just call us toll free at 0130 84 85 85

Arabic text at the bottom right.

TO OUR READERS IN BERLIN

You can now receive the IHT home or office every morning on the day of publication. Just call us toll free at 0130 84 85 85

Arabic text at the bottom far right.





ART BUCHWALD

A Very NAFTA Noel

WASHINGTON — The other day I took my grandchild to see Santa Claus at a local shopping mall.



"Not much in the short run, but in the long run the Mexican Santa Claus will make enough money to buy a Boeing 757, and that will produce a lot more jobs in the United States."

Tokyo Producer Plans Film on Slain Student

TOKYO — A Tokyo producer is planning a movie about the life and death of a 16-year-old Japanese exchange student who was fatally shot in Louisiana last year.

sphere partner. It's gift-wrapped. "What happens to all the Santa Clauses in the United States who are now out of work because they have been replaced by ones in Mexico?"

"You claim that the labor drain of Santa Clauses to Mexico will produce more jobs in the U.S. How can you be sure?"

"But some day — when you grow up and have a family of your own, you'll be glad that Santa Claus became a Mexican and could afford a Chrysler station wagon."

"I looked into his teary eyes and said, 'Si.'"

The Performance-Driven Steven Berkoff

By Roderick Conway Morris

LONDON — "I never wanted to be that kind of spineless, vapid, passive actor whose only justification for existence is when somebody phones them, and they think: 'Ooo! I've come to life!'"



Berkoff's aim: "To write a play of luxurious language — absolutely to swim in a sea of wonderful verbiage."

able wastelands of Tufnell Park" in present-day northeast London. Berkoff's extravagant, baroque linguistic acrobatics and complex, relentlessly shifting performance style scaled new pinnacles and plumbed new abysses in "Decadence," first staged a dozen years ago at the New End Theatre, Hampstead (formerly a hospital morgue).

about the IRA, with a little romantic interest, is perfect for them, because it deals with a real issue, a real, plodding issue.

"Here in England they are still obsessed with the idea that film is not an art form," he said. "They feel that film is an extension of journalism — a little film

PEOPLE

Here's Johnny, Showing Absolutely No Regrets

Johnny Carson, in a rare interview, lashed out at Jay Leno's agent, Helen Kussnick, saying that she planted rumors with the press that NBC was unhappy with Carson's older audience and couldn't wait for Leno to take over.

Toni Morrison, the first black woman to win the Nobel Prize in Literature, said she hopes the award will help draw attention to other minority writers.

A British aristocrat who squandered a family fortune has been sent to prison for 10 months for possession of heroin and cocaine.

The Daryl Hannah-John F. Kennedy Jr. thing seems to be back on. The attorney escorted the actress to the Los Angeles premiere last week of her HBO movie, "The Attack of the 50-Foot Woman."

INTERNATIONAL CLASSIFIED

WEATHER

Weather forecast section including maps for Europe, Asia, Africa, North America, Middle East, and Latin America, with temperature and precipitation data.

CROSSWORD

Crossword puzzle section with clues for Across and Down, and a solution to the puzzle from Dec. 6.

Large advertisement for the International Herald Tribune, featuring the headline 'A WEEK IN THE LIFE OF THE TRIB' and a list of daily content including sports, health, politics, business, and arts.